

Sales Management

MAY 13 1930

The Weekly Magazine for Marketing Executives



F. A. Oberheu

President and General Manager, United Motors Service, Inc., Detroit

**Oberheu Heads United Motors;
to Sell General Motors Radio**


**Why Business Needs a
Distribution Director**

The Open Road to Sales

¶ Check the new car sales in the Pittsburgh territory and you realize that Pittsburgh people are buying automobiles. And, here is a typical instance of how press advertising influences sales.

¶ A long established automobile dealer breaks a three-day sales record early in April and as the letter indicates, gives due credit to the result producing power of The Press.

¶ Consider that the "Sales Weather Break" is just around the corner and you know that the sales surface for new cars in Pittsburgh has been barely touched. Sales are waiting for sound products. Press readers are able to buy. They will be eager to buy when you convince them of the merits of your product.

TELEPHONE MAYFLOWER 4700

C. A. REHTMEYER, INC.
OAKLAND - PONTIAC
SIXES
BAUM BLVD & CRAIG ST
PITTSBURGH, PA.

April 15, 1930

The Pittsburgh Press
Pittsburgh, Pa.

Gentlemen:

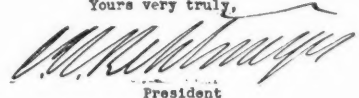
It will no doubt be of interest to you to learn that on Sunday, March 30th, a 46" Pontiac advertisement was run in your paper and on the day the advertisement appeared we sold 26 New Pontiac Big Six Automobiles.



There was no further advertising done on this for the next three days. Fourteen additional sales resulted on Monday following and sixteen on Tuesday, making a grand total of 56, for the three days.

This is a record with us and demonstrates conclusively the great pulling power of a sound product advertised in The Pittsburgh Press.

You have our authority to use this in any way you wish.

With kind personal regards,

Yours very truly,

 C. A. Rehtmeyer
 BP President

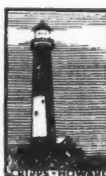

"PRODUCTS OF GENERAL MOTORS"


¶ Every Sunday The Automobile Section of The Press offers an open road to sales. Place your message now before people who are automobile minded. There is buying power in Press circulation. Take advantage of the fact that Press circulation is constantly increasing. Tie in that fact with consistently demonstrated reader interest in The Press . . . and, you will count The Press Habit of Producing Results an important factor in your immediate sales plans.

The Pittsburgh Press

A Scripps • Howard Newspaper

NATIONAL ADVERTISING
DEPARTMENT OF
SCRIPPS-HOWARD
NEWSPAPERS
230 PARK AVENUE, N. Y. C.



MEMBER OF THE UNITED
PRESS . . . OF THE AUDIT
BUREAU OF CIRCULATIONS
and of
MEDIA RECORDS, INC.

CHICAGO • SAN FRANCISCO • LOS ANGELES • DALLAS • DETROIT • PHILADELPHIA • BUFFALO • ATLANTA

●

After all—

what has modesty to do with

PROFITS!

It is in the nature of such things that the Chicago Evening American's leadership in its field was hard won, and has been held only through ceaseless effort toward perfection in the elements of such leadership. For naturally, others desire the outstanding position that the Chicago Evening American has had so long. That none have succeeded in approaching it for years clearly proves a superior understanding of Chicago's evening newspaper requirements on the part of the Chicago Evening American.

Perhaps that statement is not a shining example of modesty, but it expresses a very practical and important fact. And as advertisers increasingly grasp its significance to them as seekers after public acceptance, they profit accordingly.

Certainly there is nothing to be lost by calling in the Boone Man and securing a detailed picture of the Chicago Evening American's place and standing in Chicago's great evening market.

CHICAGO EVENING AMERICAN

a *good* newspaper now in its NINTH YEAR of
circulation leadership in Chicago's evening field.

●

National Representatives:

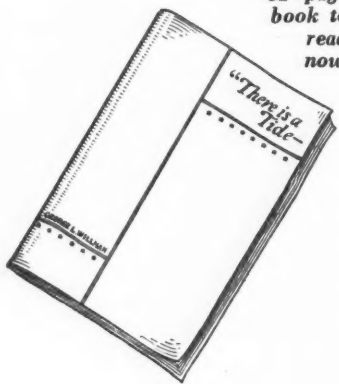
RODNEY E. BOONE ORGANIZATION

●

"how's business?"

—isn't so much a question of how business is as how the man's business is who asks.

—here's a 52-page book to read now.



\$1 for this book

You won't want to mail it out to all your salesmen—or to all your dealers. But you will very likely want to order a few extra copies to send to certain individuals whom it would help immensely!

MERLE THORPE of "Nation's Business," says:

"Thank you for an hour's enjoyable and thought-provoking reading."

G. M. WILLIAMS, President, Marmon Motor Car Co.:

"There is an enormous amount of meat in it."

PRESTON REED, Executive Secretary, Financial Advertisers' Ass'n:

"Well written—easily read."

WILLIAM BETHKE, Educational Director, LaSalle Extension University:

"It is the best thing I have seen on the subject of helping men to adjust themselves mentally to the new and ever-changing business conditions."

H. L. HORNING, President, Waukesha Motor Co.:

"I got enough out of it in ten minutes to wish it had been here three months ago."

Clip a dollar or your check to this advertisement, pencil your name and address on the margin and mail to

GEO. L. WILLMAN, Inc.

333 N. Michigan Ave., Chicago, Ill.

(Quantity prices beginning at 5 copies)

Survey of Surveys

BY WALTER MANN

Watch Your Selling Dollar

Timely indeed is this interesting, well-bound new book, "Watch Your Selling Dollar," by Archibald M. Crossley, former research director of the *Literary Digest* and present president of Crossley, Inc., a market research organization. Published by the B. C. Forbes Publishing Company,* it is as good a ten dollars' worth as anybody ever bought in a \$3.50 book.

Appearing as it does, just at the time when Ray Bill is running a deadly serious series of articles in *SALES MANAGEMENT* on the fallacy of profitless sales, it chimes in with that series like the bass notes of an organ—giving further body and tone to the highly important theme of distribution economy.

Crossley's book starts with the following definition of market research as worded by the New York Market Research Council, of which he is secretary:

"Market research is the collection, analysis, interpretation and evaluation of data relating to:

"1. A commodity or service and its sales characteristics.

"2. All commercial processes through which it passes subsequent to its production, and

"3. Its actual or potential consumption."

The first part then goes on to a frank discussion of the main faults of market research as now conducted, mentioning also some of its good points. These are for the most part clear, definite opinions by business leaders, ably interpolated by the author's comments. He steps on a few sacred toes, thus gaining the reader's confidence that this book is that *rara avis*, i.e., an earnest effort to see *both* sides of the question. Following closely an outline given in part one, the second part of the book is a copiously illustrated comment on the tendency of the American public to act like sheep in their buying reactions and habits, an interesting series of observations on the average American, showing inferentially that these habits and tendencies if carefully studied can be charted into decidedly usable data with which to shape manufacturers' sales policies.

Part three is a discussion of sales analysis procedure and the development of scientific sales methods. It includes a method of checking salesmen and a discussion of results in sales forecasting. Part four describes the study of what methods of distribution will yield the best results under varying circumstances. Part five deals with costs of distribution. Part six goes into the manufacturer's relation with distributors on all sorts of subjects, ranging from consumers' complaints and inventory reduction, stock turnover and seasonal variations to advertising and profit margins. Part seven takes up consumer relationships that interest the manufacturer, such problems as where the consumer buys, what he buys and why he buys it. This is a very long and meaty chapter in this very meaty book.

*120 Fifth Avenue, New York City.

Part eight comes back to the advisability of watching the advertising as well as the sales dollar. It shows that whereas almost 90 per cent of the 400-odd advertisers recently interviewed by the Federal Trade Commission are convinced that advertising has had an important part in increasing sales, only 42 per cent say that advertising has increased *profits*. On the other hand, 37 per cent say that advertising *decreased profits*, while 21 per cent say that to the best of their knowledge it *had no effect on profits at all*! If this isn't an argument in favor of the use of clear-minded research in the watching of the selling dollar, there never was one! For by these very statements, one can easily conjure up a picture of the basis of pure (or impure) opinion upon which many of these 400-odd opinions must have been based.

Finally in part nine, this very able book comes back to its original mutton, i.e., that if the American people are sheep as consumers, it is equally conceivable that Americans may emit an occasional sheeplike bleat as manufacturers; a condition which market research clearly conceived and ably executed, should help to eliminate. Its subject is "How to make research worth its cost." It urges the proper use of research in sales development.

This book is extremely easy reading on an extremely important subject. Its 350-odd pages are well bound, well printed on excellent paper. In short, I repeat that it looks like ten dollars' worth of business reading for \$3.50 and should be in the library of every forward-looking marketing executive in America.

Thumbnail Reviews

Correcting Store Weaknesses by Comparison-Shopping Methods.† (Report No. 1011). A study made in retail stores actually using comparison shopping. Their various methods are described. Dartnell Corporation, 4660 Ravenswood Ave., Chicago. Twenty-two pages.

The Effect of Buying Policies of Retail Druggists on the Cost of Wholesale and Retail Distribution of Drug Merchandise. (Bulletin No. 9). A study of large and small purchases, turnover, and other influences on cost of distribution among retail druggists. National Wholesale Druggists' Association, Statistical Division, 51 Maiden Lane, New York. Ten pages.

Conducting a Retail Business at a Profit. An educational outline for the guidance of retail merchants in more efficient operation of stores to increase profits. G. Sommers & Company, St. Paul, Minnesota. Twenty-eight pages.

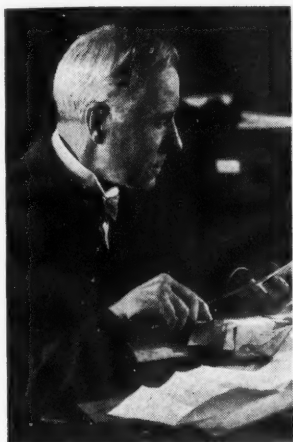
A Study of Retail Budgetary Control Plans.† (Report No. 1009). A report designed to help organizations to install budget systems or extend the scope of present control operations. Dartnell Corporation, 4660 Ravenswood Ave., Chicago. Thirty-four pages.

†Not for general free distribution.

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Sales Management

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420 Lexington Ave.
New York. Phone
Lexington 1760



THE first of a new series of articles by James True on small businesses that have made good in competition with the giants in their field is scheduled for the May 24 issue of SALES MANAGEMENT. This article deals with the experience of a company that made a success in competition with one big rival, due largely to the fact that they followed the policy of getting as far away from the competitor's sales appeal, product and advertising methods as possible. This series is especially recommended by the editors of this magazine as one of the most important editorial features to be offered during the next few months.

WHAT effect does a raising or lowering of the price of the product have on sales volume? An extremely interesting analysis of this question is made, in next week's issue, by the manufacturer of a specialty product whose business began to grow from the moment he found the right price policy.

METHODS followed by Red & White Stores in building up a voluntary grocery chain of more than 10,000 units throughout the United States and Canada and in stimulating the business of one hundred affiliated wholesalers and the manufacturers who serve them, will be described by the president and general manager of Red & White in an early issue of SALES MANAGEMENT.

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RAYMOND BILL, President; PHILIP SALISBURY, Vice-President and Director of Advertising; J. F. WEINTZ, C. E. LOVEJOY, Vice-Presidents; M. V. REED, Eastern Advertising Manager; FREDERICK FRANKLIN, Promotion Manager; R. E. SMALLWOOD, Circulation Manager; G. D. YOUNG, London Manager. Published by SALES MANAGEMENT, INC., 420 Lexington Avenue, New York; Chicago Office, 333 North Michigan Avenue; London Office, 33 Chancery Lane, W. C. 2.



Well Sir, Citrus Brought an EXTRA \$10,000,000!
Many salesmanagers shrewdly ignored gossip last fall, about Florida's "serious citrus situation" because of the Medfly scourge. They kept right on selling, advertising. April 12 closed the season. The smaller crop brought to growers \$10,000,000 MORE PROFIT than the larger crop of 1929. It stimulates all Florida. Aggressive advertisers will work through "Florida's Foremost Newspaper":

The Florida Times-Union JACKSONVILLE FLORIDA

THE BANKER IS IN YOUR PICTURE!



Bricks and Bonds

Bankers everywhere are planning new construction. Perhaps it is a new bank and office building or it may be a new plant for a company in which the Banker is particularly interested. Whichever it is, the Banker has an important voice in all the decisions that are made with regard to its erection.

That manufacturers of building materials are not forgetting the Banker is evident for construction advertising in the Journal is steadily increasing. These wise advertisers know that a Banker not only advises his customers with regard to investments but he also takes a definite interest in the kind of bricks—and steel and cement—that are going into the new building.

* * *

Think over the Bankers you know—the Bankers you have met in business. How often have they made purchases possible—purchases of machinery, building material, advertising space, anything necessary to business today. This power, multiplied by the number of Bankers in the country, is the power that can be educated to a belief in your product through the pages of the AMERICAN BANKERS ASSOCIATION JOURNAL.

* * *

A copy of the Journal upon request and further facts and figures about Banker Influence may be obtained from any of the men listed below.

Alden B. Baxter, Adv. Mgr. - - - New York
J. Howard Snow - - - - - New York
Charles H. Ravell, 322 So. La Salle St., Chicago
Cupit & Birch, Los Angeles and San Francisco

AMERICAN BANKERS
Association
JOURNAL

110 E. 42nd STREET NEW YORK CITY
Edited by James E. Clark

Tips

These most valuable booklets of the week will be sent free to executive readers who make a separate request for each one on their business letterheads. Booklets will be mailed by the companies which publish them.

Address SALES MANAGEMENT, INC., Reader's Service Bureau, 420 Lexington Avenue, New York.

Markets and Media

Since Way Back in 1922. *Nation's Business* give you the facts of their advertising gain in 100 consecutive issues, and allow you to draw your own conclusions on how you may benefit from the pulling power which induced this growth. On facing pages are listed each year's new advertisers and monthly advertising revenue with the percentage of gain over the corresponding issue of the previous year.

Make-It-Pay-You Advertising. The Bridgeport, Connecticut, *Times Star* divided the city into eleven sections and interviewed the housewives in 1,408 homes to determine the per cent of each brand of the following products used: baking powder, shortening, flour, cereals, cheese, canned fruits and vegetables, coffee, mayonnaise, flavoring extract, radio, mechanical refrigerators, soaps, tea, cocoa, washing machines. To illustrate, we'll take the first item, which happens to be baking powder. Nineteen brands are given, of which Royal, Rumford and Davis head the list at 37, 29.1 and 22.1 per cent users, respectively. This method is applied to each of the other items, with very interesting results.

Akron, Ohio. A folder (patterned after the usual A. N. P. A. Standard Market Survey form) in which the Akron *Beacon-Journal* announces the new trading area radius of Akron (map provided). Gives tables of wholesale and retail distribution outlets in the Akron market area (by towns of 1,000 population and over and totals for counties) and complete factual data.

Chains—Menaces or Blessings? This booklet is interesting as a reflection of the chain store versus the independent retailer situation in Oklahoma City and in other and smaller cities in Oklahoma. The Oklahoma City *Times* undertook to gather this cross-section of opinion pro and con through the investigations of a trained staff writer, who visited and talked with house-

wives, retail merchants, wholesalers, salesmen, chain store operators, manufacturers' salesmen, chambers of commerce, etc.

Printing and Paper

What About Printing? In which the Champion Coated Paper Company attempts to organize the factors entering into the successful purchasing and production of printing for advertising, with special emphasis on making it a simple and economical process. Also an educational appendix on papers which tells how to judge papers from the standpoint of quality, utility, strength, as a background of half-tones, offset, lithography, etc., suitability for various types of advertising and direct mail. Also provides tables giving work sheet sizes carried in the stock of the Champion company, so that you may figure your booklet jobs without waste.

Sales Quotas

Sales Quota Procedure. An outstandingly meritorious analysis of the principles and technique which should govern the establishment of sales quotas. There is nothing ironclad or dogmatic about this booklet—its formulas are intelligent, flexible and adaptable. It was written by William J. Reilly, Ph.D., director of research of the Erickson Company, whose purpose is to show you how you may ascertain the *total probable market* for your product, what percentage of the total probable market your company should get and how much business in each territory your company can actually expect to get next year at a proper profit.

Salesmen's Portfolios

Selling through the Eye. Contains suggestions helpful to the salesman in arranging his sales portfolio for more effective presentation to the prospect. Illustrates and describes the distinctive features of several types of binders carried in the stock of the Burkhardt Company.

Significant News

• • • The news this week is compounded of such contradictory items as wild gyrations in the stock market, reports of unprecedented Easter-month sales by the big chains, poor railroad car loadings, further cut in the price of copper, and larger production of Ford cars than ever.

• • • Chain store sales in April proved to have been exceptionally good, despite early indications to the contrary. Great Atlantic & Pacific Tea gained 11.4 per cent in dollar volume and 12.6 per cent in tonnage in the first four weeks; Penney, 16.9 per cent in the month; Schulte-United, 147 per cent, and Woolworth, Kresge and Montgomery Ward, more than 10 per cent each.

• • • Total Ford production in April was 206,340 units, 8 per cent more than in April last year and a gain over March of nearly 22 per cent.

• • • Announcement of Gillette's new slot attachment razor blade has aroused a storm of opposition in Germany, where the idea was first adopted.

• • • In his recent address to the U. S. Chamber of Commerce John Lord O'Brian, assistant attorney-general of the United States, plainly declared the attitude of the Department of Justice toward price fixing: "There have been recent instances where price fixing has been attempted by the misuse of so-called codes of ethics or trade rules. Where these illegal practices exist the attorney-general intends to check them by appropriate legal action."

• • • Canada Dry Ginger Ale reports sales in the first quarter of \$2,392,000 compared with \$2,501,000 in 1929 and \$2,372,000 in 1928. Net income was \$447,898 compared with \$591,739 and \$589,407, respectively. In other words, divisible profit dropped this year to less than nineteen cents in the dollar of sales compared with more than twenty-three cents in 1929 and nearly twenty-five cents in 1928.

• • • Forhan used a page in newspapers this week to call attention to its radio broadcast, a fairly good illustration of the complementary relations between media, whether new or old.

• • • New York City newspapers published 1.6 per cent more advertising in April than in March. Last year the March lineage was the larger by 1.8 per cent. The April gain this year may have been due to the later Easter, but the fact that loss over last year was cut from 11 per cent in March to 8 per cent in April is suggestive of improving conditions.

• • • The New York Air Show this week had 130 exhibitors of every sort of plane, including gliders, which attracted large crowds of visitors.

• • • The Supreme Court decision this week which banishes from legal sale the container appurtenances of

home brew will deplete the stock in trade of a good many concerns, provided the interpretation shall prove to be more easily enforceable than the law itself.

• • • Montgomery Ward announced this week their first invasion of the Eastern retail store field in the form of a department store in Jamaica, Long Island, to be built at a cost of \$1,300,000 and to be ready in a year.

• • • Lever Brothers' sales in this country last year amounted to \$40,180,000 compared with less than a million in 1914—showing that foreign companies are as quick to look for markets abroad as ours are.

• • • A further cut of one and a half cents a pound in copper this week, bringing the price to twelve and a half cents, was in accordance with expectations but fell short in the extent of the predicted reduction.

• • • "Lower money rates the world over will tend to stabilize commodity prices and perhaps even to strengthen them," says the Continental Illinois Bank & Trust Company, Chicago.

• • • More than a thousand economists, chiefly college professors, urged President Hoover this week to veto the tariff bill as tending to raise the cost of living. Republican newspapers replied that the same sort of argument was raised against the Fordney-McCumber bill, the workings of which as law converted many Democrats to the protectionist cause.

• • • "Readjustment in 1930 is moving in an orderly manner. Recovery is in progress, slow in some lines, faster in others," John G. Lonsdale, president of the American Bankers, told the world this week. He added that March quarter statements were favorable when compared with those of 1928 and earlier years.

• • • Drastic curtailment to meet consumer demands was urged on the American Cotton Manufacturers Association at its meeting in Pinehurst this week by F. W. Shibley of the Bankers Trust Company, New York.

• • • A sporting goods trade practice code was adopted this week at a conference between representative manufacturers and the Federal Trade Commission. It strikes at the practice of endorsements by outstanding athletes given in consideration of free goods, and the use of well known names on brands without proper warrant of use or creative interest.

• • • A far-reaching merger of dry goods jobbers is foreshadowed by the acquisition this week by Elder & Walker Dry Goods, St. Louis, of the assets of Walton N. Moore Dry Goods, San Francisco, and Watts-Ritter, Huntington, West Virginia. Four other large houses are likely to be taken into the combination under the title United Dry Goods Corporation. The four concerns now joined have a sales volume of \$57,000,000.

Why Business Needs a Distribution Director

BY CARLE M. BIGELOW, M.E. *

President, Bigelow, Kent, Willard & Company, Inc., Boston

CONFINING our thought to the era after 1900, business operated for a period of approximately two decades in a rising commodity price market and after the World War found it necessary to operate with declining commodity prices. This great change in the directional trend of commodity prices has probably had more effect upon business in general than any other economic factor for several decades.

During the two decades prior to 1920, a major influence on conditions was the rapidly accelerated development of high-speed machinery and mass production, resulting in increased wages and in many cases in decreased costs, both of which reacted to increase rapidly the consumer market and increase commodity prices. It seemed as if this development could be continued practically indefinitely—that by increasing manufacturing effectuality we could constantly increase wages, decrease costs and increase prices, and that this effort would automatically create a market for the greater volume of goods produced. However, when the markedly increased productive capacity of the country created during the World War for the manufacture of military material was changed over to the production of peace-time products, a condition of saturation was reached where the market could not absorb the production, and we met the turn of rising commodity prices to falling prices, and due to the disturbance in volume a cessation of the lowering of productive costs, with the result that steps had to be taken to drastically stimulate the consumption market.

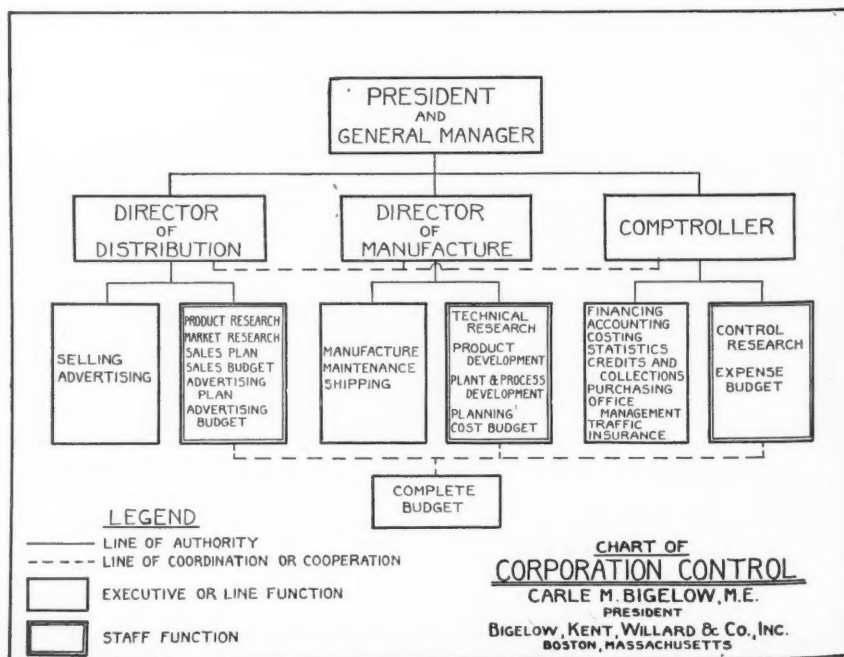
Two great efforts were made which have been controlling factors in the situation during the last decade. One was the turning of our inventive genius to the creation of a vast galaxy of products tempting to the consumer,

such as style in the automobile, the radio, electrical refrigeration, new types of home construction, new methods of heating homes (oil and gas burners) and color and style in plumbing fixtures. The second was the use of advertising to acquaint the consumer with existence of such products and stimulate his interest therein. Both these factors proved very powerful, and we had a marked increase in production and distribution.

The first result of this increased distributive effort was the creation of an entirely new type of competition. Prior to the last decade competition was largely "parallel" in character, one brand of a particular product competing with another. Now, however, we not only have parallel competition within a particular industry between different brands of the same product, but "substitution competition," where entirely dissimilar products compete for a larger and larger share of the consumer's dollar. The automobile, the radio and many other products are in competition, not alone with similar products, but with each other.

Underlying most of the distribution campaigns has been the directive element of demand for expansion. Expansion is a policy dearly beloved to every American executive. For three hundred years we have been a nation of pioneers, creating, growing, expanding, with an almost childlike faith that there is no limit to what each and all of us can accomplish in building bigger and bigger distributions of our product. True, there has been a recognition in many industries that it was safer to expand by merging or absorption of competitors than by direct competitive effort alone. But fundamentally there has been lacking in our individual consciousness the proper realization that after all there is a certain collective limitation on our possibilities of consumption. After all, there is a limit to what the consumer's dollar will absorb. We have mortgaged the consumer's dollar of the future by part-payment plans to meet our demand for greater current consumption. And what has been the result?

With our American expansion policy in full stride, hundreds of millions of dollars of products which were virtually unknown ten years ago are being absorbed annually. Up until



*This article represents the greater part of an address given by Mr. Bigelow at the meeting of the Association of National Advertisers at French Lick, Indiana, this week.

the last quarter of 1929 the majority of industrial concerns increased their sales. But what of the profits?

In 1927, when profit recession became marked among our clients, we picked eighty-one concerns, spread over twenty-eight fundamental industries, in nineteen different states, using the following basis of selection:

1. Must have been established at least twenty years.
2. A recognized standing in their industry.
3. Generally prosperous over period of their operation.
4. No abnormalities of corporate or capital structure.
5. Average sales increase consistent with growth of industries represented.

The sales dollar for these various concerns was broken down and the first six months' operation of 1927 compared with the first six months of 1926. The first six months were selected due to the fact that it is the policy of a great many concerns to take certain extraneous income and expense into their accounts during the latter part of the year, thus distorting the true operating figures. This comparison was repeated again in 1928. The results show that during the three years' study there was a pronounced tendency to reduce manufacturing cost, reflected in a reduced portion of the sales being absorbed by manufacturing, but that selling expense, which was 9.9 cents of the sales dollar in 1926, increased to 13.2 cents in 1927, and to 14.1 cents in 1928, with a reduction in profits equivalent to the increase in selling expense, less the small decrease in manufacturing expense.

More Business at Less Profit

The first six months of 1929 figures showed a slight recession in selling expense, with a corresponding increase in profits, but we do not like to consider the 1929 results, due to the fact that the very serious condition obtaining in most of these concerns during the last quarter of 1929 more than offset the gain made in the first six months. We are, therefore, faced with the fact that while through the ingenious creation of a great number of new products and the splendid stimulation to buying given by magnificent advertising programs and intense sales effort, fundamentally we have been doing more business with a smaller percentage of profit in many instances.

It seems very evident that in many cases we have sold beyond the normal market absorption, with excess selling expense, and in many cases at such lowered prices that, in terms of the sales dollar, expense ratios have increased and percentage of profit de-

What Price Profitless Sales?

This address deals so pertinently with the topic being discussed in the series of articles by Raymond Bill entitled "What Price Profitless Sales?" that the article in this series scheduled for this week has been deferred to the following week. All of our readers who were interested in this series are urged to make a careful reading of Mr. Bigelow's speech. — The Editors

creased. The sharp competition within industries themselves has led to such orgies of competitive price-cutting in endeavors to take over part of competitors' markets that many industries have been forced to take definite steps, with the assistance of the Federal Trade Commission, to set up standards of fair practice within their industry and the definition of minimum basic prices. While this will undoubtedly assist in the control of parallel competition within an industry itself, the greater question of substitution competition between entirely dissimilar products is as yet not subject to control. In a distinctly buyers' market, with falling prices and increasing selling expense, the future of industrial profitability cannot be considered particularly optimistic.

Looking at business collectively, we cannot go on indefinitely, creating new products to appeal to the consumer and creating markets for these beyond normal consumption possibilities. We can't build plants of any size and say to the sales department that it is their function to sell sufficient volume to fill these plants to capacity. Nor can we expect that we can devise any limitless sales and advertising programs and expect that the consumption market will absorb indefinitely. Fundamentally, business must become more conscious of what the consumer's market is individually in terms of their own product and collectively in terms of all products. The individual concern cannot expect by increased sales and promotional effort to continually take over an increasing share of the consumer market without reacting on other businesses and suffering a reaction upon itself.

If we let X represent the normal consumption market and we use a sales effort sufficient to distribute 1.1X but succeed naturally in only distributing X, it simply means that we are spending 10 per cent too much in

sales effort, which must come out of profits. Fundamentally, the problem comes down to consideration of the only problem of business—that of making an adequate profit. Therefore, coordination of manufacturing, sales, advertising and financing is essential in order that all of these various phases of business may be analyzed, not in terms of themselves alone, but in their joint effect upon the one problem of producing an adequate profit upon the capital employed in a business venture.

This means that in many industries we must consolidate our position and give greater thought to conservation than to expansion, and going back to the earlier statement that we are fundamentally a nation of pioneers and expansionists, it is entirely obvious that a policy of consolidation and conservation is not particularly appealing to many executives. Business programs, or budgets as they are commonly called, have usually been in practice somewhat as follows: With a very sketchy knowledge of market absorption, we determine that we should build a plant of a certain size to manufacture certain products; that it will cost about so much for fixed investment, manufacturing cost and expense to produce a certain volume of product; that we will expend a certain amount in selling and administrative expense, and the difference between the total of these expenses and the sales income at, in many businesses, very variable prices, will be the profit. It is stated to you very seriously that in many business programs, profit is the last factor which is given consideration, rather than the first.

Before we give consideration as to how an adequate profit can be made, let us consider briefly as to what an adequate profit is. It is possible, in spite of the unpleasantness of last fall,

(Continued on page 281)



BY LAWRENCE
M. HUGHES

Preliminary work in the establishment of the colored grocers' association has been carried out by Albon L. Holsey, secretary of the National Negro Business League.

Negro Grocers Join to Develop \$1,650,000,000 Food Market

THE Colored Merchants' Association, a voluntary grocery chain, has been formed to aid the American Negro in economic adjustment.

The association is sponsored by the National Negro Business League. It is intended to win back to colored merchants the trade of 12,000,000 people—a trade which in food alone is estimated by the league to aggregate \$1,650,000,000 a year, and most of which is now being done in "white" stores. It is intended to bring greater revenue to colored merchants, to promote better buying by colored housewives and more and better employment for the colored race as a whole.

Food distribution was chosen as the first step in the general economic rehabilitation because it is the greatest economic activity of all. And food, incidentally, occupies a larger place in the colored family's budget than it does in the white.

The league is thirty years old. Founded by the late Booker T. Washington, it is now headed by Dr. Robert R. Moton, who is also president of Tuskegee Institute, Negro educational institution of Alabama. Preliminary work in the establishment of the association has been carried out by Albon L. Holsey, secretary of the

league, who has established operating headquarters for the association in the Harlem district of New York City.

Two years old, the association today comprises 253 independent grocers in fifteen cities, from Montgomery, Alabama, to Dallas, and from New York to Omaha. It will probably reach nation-wide proportions soon.

"Ninety-five per cent of the Negro problem is one of economic adjustment," Mr. Holsey pointed out. "We face not only the problem of unemployment, but of putting our educated young men and women into positions commensurate with their intelligence. Many college trained Negroes have been forced to work as porters through lack of better opportunities.

"The position of the Negro merchant is no better. A survey inaugurated by the league two years ago, with funds supplied by the Laura Spellman Memorial Fund, revealed that 40 per cent of all Negro grocers are doing a volume of less than \$5,000 a year, and 20 per cent between \$5,000 and \$10,000. The average net income of 60 per cent of our grocery merchants is only \$10 a week.

"It happened that our survey was conducted at the same time as the 1928 census of distribution of eleven

cities," Mr. Holsey continued. "We were able to take these distribution figures for the Negro population and compute our own ratio—lopping off 25 per cent for the difference in standards of living. We wanted first of all to find out how many Negroes ought to be employed in the grocery business in proportion to our total food expenditures."

The nation's food bill is estimated roughly at about \$20,000,000,000. The colored population is a tenth of the whole. Discounting 25 per cent, Mr. Holsey estimated the Negroes' food bill to be well above a billion and a half dollars. This purchasing power, he believed, entitled the Negroes to 470,787 positions in the food industry as follows:

Seven hundred and twenty-seven major executives, salaries from \$12,000 to \$50,000 a year; 4,645 minor executives, \$5,000 to \$15,000 a year; 12,416 superintendents and foremen, \$3,000 to \$5,000 a year; 391,251 clerks, salespeople, etc., \$1,000 to \$3,000 a year; 61,749 drivers, messengers, truck drivers, etc., \$600 to \$1,200 a year.

"The employment of Negroes in negro stores will automatically tend to increase the earning and buying power of our race," Mr. Holsey pointed out.

"A phase of the program is to educate Negro housewives to buy more intelligently and also to buy at Negro stores. Both of these steps we felt would automatically follow a program of organization of Negro merchants and of education to make them better merchants.

"With this object in view, we established our own voluntary chain to 'practice on.' The chain, under the name of the Colored Merchants' Association, was formally launched at Montgomery, Alabama, in 1928. We established no new stores, but attempted instead to improve existing ones. It was originally a cooperative buying organization to enable the colored merchants to get their products at lower prices. The plan is that each member of a local association agrees to give 70 per cent of his orders to a local wholesaler (all of these wholesalers, incidentally, are white)—leaving him free to place the other 30 per cent as he wishes.

Favor Unprejudiced Sellers

"In this whole program, naturally, we are giving preference to manufacturers and wholesalers who are not prejudiced against the Negro race. In a certain large food industry there are two leading competitors. One employs Negroes, the other does not. We are placing our orders as far as possible with the former.

"After Montgomery, the chain was extended to other cities—the minimum requirement being ten stores to a city.

"We then started to improve the layouts of the stores, to make them more attractive, and also to improve the quality of the goods carried. After that came cooperative advertising.

"We have found our people responsive to the advertising, and the improved appearance of the stores. One Harlem store, for instance, which did a business of \$500 a week before remodeling, did 150 per cent more the week following. The stores have standardized fronts, of red trimmed with black and white. Each will carry an emblem, now being worked out, which mentions that this is a 'C.M.A. Store, affiliated with the National Negro Business League,' and which emphasizes at the bottom that it is 'independently owned.'

"The C.M.A. stores will be operated separately from the league. We are forming for it a permanent organization—which, in itself, will ultimately provide employment for a number of Negroes. The organization will charge a fixed fee for remodeling the stores, and small weekly dues.

"To develop a certain race appeal," Mr. Holsey pointed out, "we intend

to place some emphasis on private brands. On the other hand, we have found the Negro to be unusually responsive to advertising. He likes to keep abreast of things. There are 'styles' and 'trends' in food as well as in other products, and the imaginative Negro race can be persuaded by advertisers more easily than the whites. Not only that, but the standardized quality of advertised merchandise is an even more important factor in educating the colored housewife than the white. And from the merchants' own standpoint, we believe our movement can be accelerated by tying in with the merchandising and advertising opportunities offered by national brands."

"One of these opportunities is sampling and demonstration. I am now seeking a budget for the expenses and salaries of three colored women to put on food demonstrations throughout the country, organizing our housewives. Already this is being done in certain localities. Since advertised brands are provided free for this purpose, we are glad to avail ourselves of the opportunity.

"We are telling our people to patronize Negro stores or stores that employ Negroes. At the same time, we are employing professional buyers of large houses—mostly national advertisers—to educate our housewives, many of whom are now cheated, to buy more intelligently.

"Along this line, we have launched a survey of Negro buying power throughout the country. This survey covers income groups, and percentage of yearly income devoted to staple products in the food, clothing, house furnishing and other industries, and asks also whether the family has an automobile, telephone, electric refrigerator, radio, electric washing machine, or vacuum cleaner; whether or not it

finds advertised, unadvertised, or unbranded goods to be most satisfactory; why it buys at certain stores and why certain types of products; what types of products the family purchases from Negroes, regularly or occasionally; whether it finds Negro clerks as courteous and efficient as white; and whether it reads Negro newspapers regularly.

"The C.M.A. stores as yet have no brands of their own. We are now testing out a private brand of coffee, which is probably the highest profit item in the grocery store. We have had four different blends prepared for us, and are sending them out, each numbered, to committees of colored women in fifty cities. They are following the Old Gold idea by giving parties and asking the women present to select by number the blend they prefer. In addition to determining the blend which will probably be most popular with our people, the women are being asked to name the coffee and provide a slogan for it. A prize of \$25 is given the winner in each case. Perhaps we shall add other of our own brands later. But we shall depend to a large extent on national brands and food shows to help us in our expansion.

"The voluntary grocery chain," Mr. Holsey concluded, "is the first step in a far-reaching movement, gradually gathering impetus, for the economic rehabilitation of the Negro race.

"In other fields we have made less progress even than in food. Of some 32,075 shoes, clothing, furniture, millinery and drug stores which we estimate could be supported by the total Negro population, we have only about one-tenth. Nine-tenths of our earnings go to white merchants. There are 3,587 shoe stores which our race could support; we have only six
(Continued on page 278)

Seeks 900 Per Cent More Negro Stores

Thirty-two thousand Negro shoe, clothing, furniture, dry goods, millinery and drug stores—900 per cent more than at present—are required to serve adequately the present Negro population of 12,000,000, according to estimates of the National Negro Business League. The increase among grocery stores would be nearly as high. The estimates represent Census of Distribution ratios reduced 25 per cent to offset the difference in economic levels between the white and black races. The requirements for various types of businesses are as follows:

Kinds of business:	Inhabitants per store	Average sale less 25%	Negro stores required for total negro population	Total sales	Persons employed	Salaries
Shoes	3,346	33,823	3,587	\$121,322,101	14,272	\$14,558,652
Men's Furnishings	2,397	40,355	5,006	201,016,830	23,028	24,121,919
Women's Clothing	4,063	64,605	2,954	180,843,170	28,053	25,318,438
Furniture	2,388	54,155	5,003	270,947,465	38,023	40,642,120
Dry Goods	2,065	20,480	5,802	118,824,960	20,307	11,644,836
Millinery	6,136	14,788	1,956	27,905,768	7,824	4,464,922
Drugs	1,545	24,589	7,767	190,982,763	38,835	28,647,415
Totals			32,075	\$1,111,843,057	162,718	\$149,398,302

A. N. A. Sees Advertising as Major Factor in Business Recovery

FRENCH LICK, IND., May 7.—The semi-annual meeting of the Association of National Advertisers held here this week established a new record for practical penetration into the problems of business and particularly those relating to sales and advertising.

Monday morning was spent on the various group meetings devoted to drug products, export food products, textiles, household furnishings and automotive products. In the afternoon Stuart Peabody, chairman of the program committee and general advertising manager of The Borden Company, presided. Bernard Lichtenberg, president of the association and vice-president of Alexander Hamilton Institute, made his report, in the course of which he enumerated the several recent special activities of the association, along such lines as radio advertising, the differential between local and national newspaper advertising rates, analysis of \$5,000,000 spent in farm papers and the studies still in progress and fifty-fifty cooperative advertising with dealers, the qualitative study of industrial publications, the qualitative study of *True Story* magazine circulation and the study of the advertising budget.

He also sounded the keynote of the convention in remarking that while general business conditions are not in a booming state, they are much better than is generally realized or appreciated and that advertising now has a superlative opportunity to prove its ability, when intelligently applied, to act as a major factor in the restoration of prosperity.

David Lawrence, president of the *United States Daily*, spoke next on the business outlook. He stressed the modern inter-dependence of ostensibly widely separated industries and the consequent need for executives keeping posted, not only on their own industry, but also industry as a whole. He mentioned the competition between industries as one of the significant characteristics of these times. He cautioned against over-optimism and suggested that improved conditions would be largely the result of intelligent constructive effort. He promoted the thought that it seems far more important to aim at sound objectives over a long period than to



P. J. Kelly, vice-president of the A. N. A. and advertising manager of the B. F. Goodrich Company.

seek remedies of a highly temporary character.

Amos Parrish, president of Amos Parrish & Company, described the style trends in merchandise in 1930. He stated that fashion presupposes acceptance to be properly termed "fashion" and that all fashions are based upon need and logic. He presented the six trends in fashion divulged in studies made by his company: First, more luxury; second, more comfort; third, more individuality; fourth, more suitability; fifth, lower prices, and sixth, speed. He cited many examples to illustrate these trends and pointed out that all manufacturers in their sales and advertising plans would be wise to give careful consideration to these established current trends of public fashion.

Carle M. Bigelow, president, Bigelow, Kent, Willard & Company, spoke next on why business needs a distribution director. This address appears as a feature article elsewhere in this issue of *SALES MANAGEMENT*.

William Douglas McAdams, head of the advertising agency of the same

name, closed the afternoon program with a discussion on the new leaderships, and some of the policies from which they will come. Unfortunately his talk was not released to the press.

At the semi-annual banquet held Monday night the president of A. N. A. in the role of toastmaster introduced Strickland Gillilan, journalist and humorist, and Irene Beasley, blues singer of the Columbia Broadcasting system. William Herschell, Hoosier poet and humorist, completed the program with several of his poems.

W. A. Grove, vice-president of A. N. A. and advertising director of the Edison General Electric Appliance Company, Inc., presided over Tuesday morning's session. Neil G. Borden, assistant dean, Harvard School of Business Administration, talked on what the Harvard Awards have told about national advertising. He indicated that copy headlines and typography have not kept pace with the progress made by art in the field of advertising and stated that there is much evidence to show that many appealing and convincing pieces of copy have failed in their purpose because of faulty headlines and typography. His talk constituted a plea for higher compensation in certain branches of the production ends of advertising, also for better studies of the specific results of individual campaigns and for a more scholarly type of research in all the important phases of advertising. Turner Jones, vice-president of the Coca-Cola Company, followed with a frank talk on "where are your customers." He described in some detail and with supporting charts the methods which Coca-Cola has pursued to determine how its advertising could be certain of following the crowds. These methods included such scientific measures as checking up daily traffic through particular business thoroughfares to determine the circulation of specific signboard locations and similar studies on the public circulation of individual store windows, the percentage of daily per capita patronage in various departments of drug stores and the percentage of Coca-Cola purchasers among those patronizing soda fountains. He explained how his company classified distribution outlets by three major divisions: preferred, secondary, and

general, with the first running approximately 60 per cent of the total sales, the second about 30 per cent and the last about 10 per cent.

He showed how this information had been utilized to determine sales calls on the ratio for each group of four, three, and two calls. Mr. Jones revealed the budget of the Coca-Cola Company as: outdoor advertising, 46 per cent; dealer helps, 24 per cent; publications, 15 per cent; radio, 10 and miscellaneous, 5 per cent. Mr. Jones urged that the Department of Commerce or some body of equal influence undertake to determine crowd data in individual communities, which could serve as a basis not only for outdoor advertising circulation values, but also for retail store data and real estate purposes.

Cost of Increased Sales

T. M. McNiece, manager of sales records and research department, National Carbon Company, Inc., discussed "what does increased sales volume cost." He dwelt on how the scramble for increased sales has resulted in overproduction in many lines and, in consequence, increased waste effort and cost in the distribution process. He pointed out that, in the last analysis, increased sales can only come from an increase in total usage or consumption or increase gained at the expense of competitors. The latter, he stated, may be secured through increased advertising, increased selling effort, increased service, extended credit, or reduced prices. Because of the increased competition between industries, he showed how much inefficiency is resulting by reason of the rivalry for the consumer's dollars. He traced the relation of increased sales to the increased cost of obtaining them and showed how often the last 10 per cent in sales represents business obtained at far too great a cost and at too great a sacrifice to established lines, already responsible for partial distribution. He gave as a premise that no manufacturer should confine his sales to a few large customers where existence could be threatened and, conversely, that no small order customers who could be handled only on a basis of continuous loss should be kept on the books. He concluded by emphasizing the idea that successful sales management is today based upon the probability of sales rather than upon sales volume *per se*.

T. G. Graham, vice-president of B. F. Goodrich Rubber Company, completed the morning program with a presentation of the problems confronting an industry where the evils of overproduction and unrestricted am-

bition for sales domination prevail. He portrayed the efforts being expended to increase sales in a field where total consumption is limited by the number of motor vehicles in inactive service and where price competition has been made more intense because of improved manufacturing methods and increased mileage per tire. As a company executive, schooled in engineering, he expressed the idea that the costs of distribution would sooner or later have to go through an evolution which would bring distribution costs near to 15 per cent in the tire field despite their being nearly double this percentage at the present time. He stressed the importance of arriving at reasonable profits for the manufacturer as well as the dealer, against

obtaining volume sales for the pure sake of volume supremacy.

At the Tuesday afternoon session, P. J. Kelly, vice-president of A. N. A., presided. He is also the advertising manager of the B. F. Goodrich Company. The first talk was made by Hon. Martin L. Davey, president of the Davey Tree Expert Company, Inc., who described in some detail the basic appeal in advertising with particular regard to the experience of his own company in radio broadcasting.

Bennett Chapple, vice-president of the American Rolling Mill Company, followed with a talk on the part the advertising director may play in building employee morale. An excerpt from his address is printed on the following page.

A. N. A. Passes Significant Resolutions at Final Meeting

FRENCH LICK, IND., May 7.—The resolutions passed by the Association of National Advertisers in the final closed session held Wednesday morning pertained to subjects of special study of the organization for some time past. On rate differentials, the resolution reads in part: "Whereas no adequate or justifiable defense has been offered by the newspapers for the differential in local and national rates, although some months have elapsed since the A. N. A. report on this matter was issued; therefore be it resolved that the Association of National Advertisers, Inc., does not believe any differential whatsoever between local and national rates is justified."

A second resolution reiterated the A. N. A. position against the so-called enforced combinations which prevail with certain newspapers in certain cities. A third resolution commends those newspapers and magazines which have recently undertaken, through advertising space and other means, to persuade the American public to refuse to purchase substitutes for trademarked and advertised brands. The Secretary of Commerce was urged to use his influence to see that the Government's market data book is published annually; a special resolution called for greater and more practical cooperation between advertisers and publishers in the matter of moving up publication closing dates to the end that there may be a better and more uniform method of dating magazines. A special resolution was passed commending Stuart Peabody on his excellent work as chairman of the program committee.



Bachrach Photo

Bernard Lichtenberg, president of the A. N. A.

Albert E. Haase, managing director of A. N. A., was prevented from attending the meetings at French Lick on account of serious illness. In his absence, the assistant managing directors, G. S. McMillan and A. W. Lehman, carried on in a highly effective manner.

Distributing facilities of the Graybar Electric Company were extended this week with the opening of new warehouses at Washington, D. C., and Peoria, Illinois, and the moving of the New York distributing house to larger quarters.

Chapple Outlines New Services Advertising Can Render

BY BENNETT CHAPPLE*

Vice-President, The American Rolling Mill Company, Middletown, Ohio.

Without neglecting the obviously important phases of advertising, there are other opportunities on the highway of advertising that have not been rutted—practically virgin fields for the advertising man today. Let us talk about employee morale.

I have found the personnel department is mighty glad to get the helping hand of the advertising department. As an illustration, let me enumerate a few of the things which we have done in our advertising department that have helped employee morale.

First, the advertising department took the intangible spirit of the organization, known as "The Armco Spirit" and crystallized it in a definite way, by booklet and painting, a typical advertising man's job. It later took the established company policies and put them together in the form of a printed constitution that protects management, employee, customer, and stockholder alike.

Second, the advertising department went with the personnel department into a new locality to help build up such an appreciation of the opportunity afforded by the opening of a new plant that a fine selected working organization was available. Incidentally, this particular personnel recruited by institutional advertising has proved to be one of the finest groups of workmen in the whole organization.

Third, the advertising department conceived and nursed the introduction of the Little Theater movement in industry. The work is carried on by the Armco Association, made up of employees, and provides theatrical performances every week in the Armco Auditorium. Iron and steel workers transfigured into Thespians is a novel advertising contribution, but it has brought contentment and happiness into the Armco family through the opportunity for self-expression.

Fourth, the advertising department helped develop the Armco Concert Band from among its employees—a musical organization which ranks as one of the five greatest bands in America today, giving enjoyment not alone to families in the organization,

but to the vast radio audiences, as well as to the many who have heard it on concert tours.

Fifth, the advertising department enlisted in the work of the safety department. It has helped to bring safety into the consciousness of the workers. Tremendous results have been obtained through such enthusiastic cooperation and Armco has one of the lowest lost time accident records in the iron and steel industry, saving thousands of dollars to the company yearly, to say nothing of the grief and bereavement of the families of its employees.

Sixth, the advertising department is called upon by the health department to assist in putting over the idea of taking care of small scratches and minor colds, resulting in a very large decrease in the loss of work days for the employees.

Seventh, the advertising department was given the responsibility of introducing the foreman-manager idea which had been successfully worked out at Armco, to customer plants. Today Armco is sending its foreman-manager bulletin service to over 8,000 foremen in 800 companies.

Eighth, the advertising department has developed a collateral advertising service for fabricators using ingot iron. It also directly contacts thousands of resale outlets and gives advertising advice to many companies who do not have an advertising agency service.

Ninth, the advertising department developed, organized and brought into the family 7,000 Armco ingot iron shops—sheet metal service stations—in every state of the union. The *Ingot Iron Shop News*, published by the advertising department, is the official publication for this unique group. The *Pure Iron Era*, a more pretentious publication, serves the foreign field.

Tenth, the advertising department saw in the work of the plant correspondence supervisor an opportunity to develop an outside, as well as an inside service. The Armco correspondence textbook, "Making Letters Talk Business," published by the advertising department, is today used in many schools, and over 30,000 copies have been distributed since it was first issued.



Warren C. Platt, of National Petroleum News, who was elected president of the Associated Business Papers at the annual executive conference this week.

Advertising & Selling Wins A. B. P. Medal; Platt Heads Group

A campaign against abuses in testimonial advertising by *Advertising & Selling*, New York, was cited by the Associated Business Papers in annual executive conference at White Sulphur Springs, West Virginia, this week, as the "outstanding editorial service to its field" during 1929.

Samuel O. Dunn, editor of *Railway Age*, received a prize for the best editorial or article, for his editorial on "Holding up the Railways," and first prize for news reports went to Robert L. Davison of *Architectural Record*.

Warren C. Platt, *National Petroleum News*, Cleveland, was chosen president of the association to succeed C. A. Musselman—the other officers being James H. McGraw, Jr., McGraw-Hill Publishing Company, vice-president, and E. H. Ahrens, Ahrens Publishing Company, treasurer.

Honorable mention in the editorial service class was given to *Chemical & Metallurgical Engineering*, *Motor Wholesale*, *Hotel Management* and *Railway Age*.

Indianapolis Agency Moves

Sidener, Van Riper & Keeling, Inc., Indianapolis agency, moved this week to new offices in the Circle Tower. The change coincided with the agency's twentieth anniversary.

*An address given at the Association of National Advertisers Convention, French Lick, Indiana, this week.

John Doe & Co.

Key

Gentlemen:-

Date_____

Please have your window display featuring (products to be displayed) installed in one of my windows during the week of____
19____. There is to be no charge of any kind to me for the display or the installation.

Name_____Street_____

(Please do NOT use sticker)

City_____State_____

Please do not sign below until after installation has been made.

This is to certify that the display ordered above has been installed in one of my windows and that I agree to keep it there for two weeks from date.

Date_____Signed_____

Borden Works Out a New Method for Checking Window Displays

BY THOMAS L. BURCH

Advertising Manager, The Borden Sales Company, Inc., New York

FOR quick window display drives or for special display work in limited territory, advertisers are relying more and more on competent installation services. For temporary work a special display crew is too costly. When a drive is on, salesmen cannot be spared to put in windows. The professional display man fills the job.

Ordinarily, our specialty salesmen devote a certain part of their time to putting in windows. This plan has proved effective. Its shortcoming, however, is that when we want a special job the salesmen cannot spare the time for it. We then must use services.

But it is difficult to leave booking and checking of windows to a display service, for few installers can select the best locations for the displays. Each manufacturer has a different set of principal outlets. Among the stores ordinarily serviced by the display man may be only a few that are desirable for any one account. If a group of stores is under contract, only half of them may be satisfactory. Perhaps the windows want to be run only where volume reaches a set figure, or the displays may be required in connection with a deal.

Only the manufacturer's own representative can select these display locations effectively. But between him and the display man lost time and lost dealer interest may cut down ex-

cessively the number and quality of windows. Between the salesman and display man a system must be developed which definitely ties up locations and provides for prompt installation.

Where a crew of specialty salesmen is operated the problem is simple. Windows may be definitely booked as sales are made, and the window orders sent to the installer either direct or through district sales offices. For this purpose the manufacturer's regular merchandise order form is very satisfactory. The dealer is accustomed to signing these orders. He respects their terms, and seldom refuses the display when the installer arrives. And the signed orders are the best authorization the display man can ask from the advertiser.

Where the manufacturer has no specialty salesmen, but depends on jobbers, brokers or distributors, direct booking is more difficult. The merchandise order form is unsuitable, because it reaches the principal indirectly, often belatedly. In passing through the necessary hands, days are lost—perhaps windows. Reports may be sent in only at long intervals, while the dealer loses interest and forgets the purpose and value of the display.

Too many bookings go astray entirely in the files of jobbing offices.

Windows booked indirectly are also hard to check. If the manufacturer has no specialty men, he will seldom have men available to cover the territory and survey windows. The jobber's or distributor's salesman can rarely be expected to cover the territory just at the right time to get a satisfactory check on displays.

At the suggestion of the W. F. Powers Company, the Borden Sales Company is working out a plan for a combination booking and checking form which meets all these difficulties and may be used effectively either by the manufacturer's or distributor's salesmen. The plan was conceived by Charles A. Hauk, Jr., of the Powers organization. It is printed on a standard business card so that it may be dropped into a convenient mail box as the window is booked, and be returned immediately to the advertiser. Salesmen of several distributors may work the same territory, and their window orders may be assembled and forwarded promptly to the installer.

This combination form is divided into two sections, one to be used for booking the window and one as a

(Continued on page 266)

Selecting the Specialty Salesman Who'll Do the Job

BY RICHARD C. HAY

(In his previous group of articles, "Practical Plans for Paying Specialty Salesmen," Mr. Hay discussed the advantages and disadvantages of various compensation methods. In this, and the next article, he presents some data which show the important bearing hiring and training policies have on the success of the compensation plan. —THE EDITORS.)

THE success of any plan for paying specialty salesmen will depend not alone upon the plan itself. There are many factors which must be taken into account, and which, if properly handled by the sales manager, will increase results which he may expect from whatever payment plan he is then using.

There are five points which should be considered:

1. Salesmen should be selected carefully.
2. These salesmen should then be trained properly.
3. After selection and training comes the right payment plan.
4. The salesmen must have the right backing by the company, particularly as to supervision, merchandising service, advertising, proper policies, properly applied.
5. Proper supervision and control of all selling activities of whatever nature.

Our particular purpose in this, the final article in the discussion of payment plans found successful in specialty selling, is to indicate the

fundamentals which underlie the problems of selection and training, and how leading specialty selling organizations are applying these fundamentals in their own work.

To get at the fundamentals underlying the problem of selection, six factors should be considered.

What is the job which the salesman is to handle?

What type of man is needed for the job? In particular, these points should be considered: personality, education, age, experience, industry.

There should be an application blank, the filling out of which will show the interviewer many of the leading qualities possessed by the applicant.

(Continued on page 280)

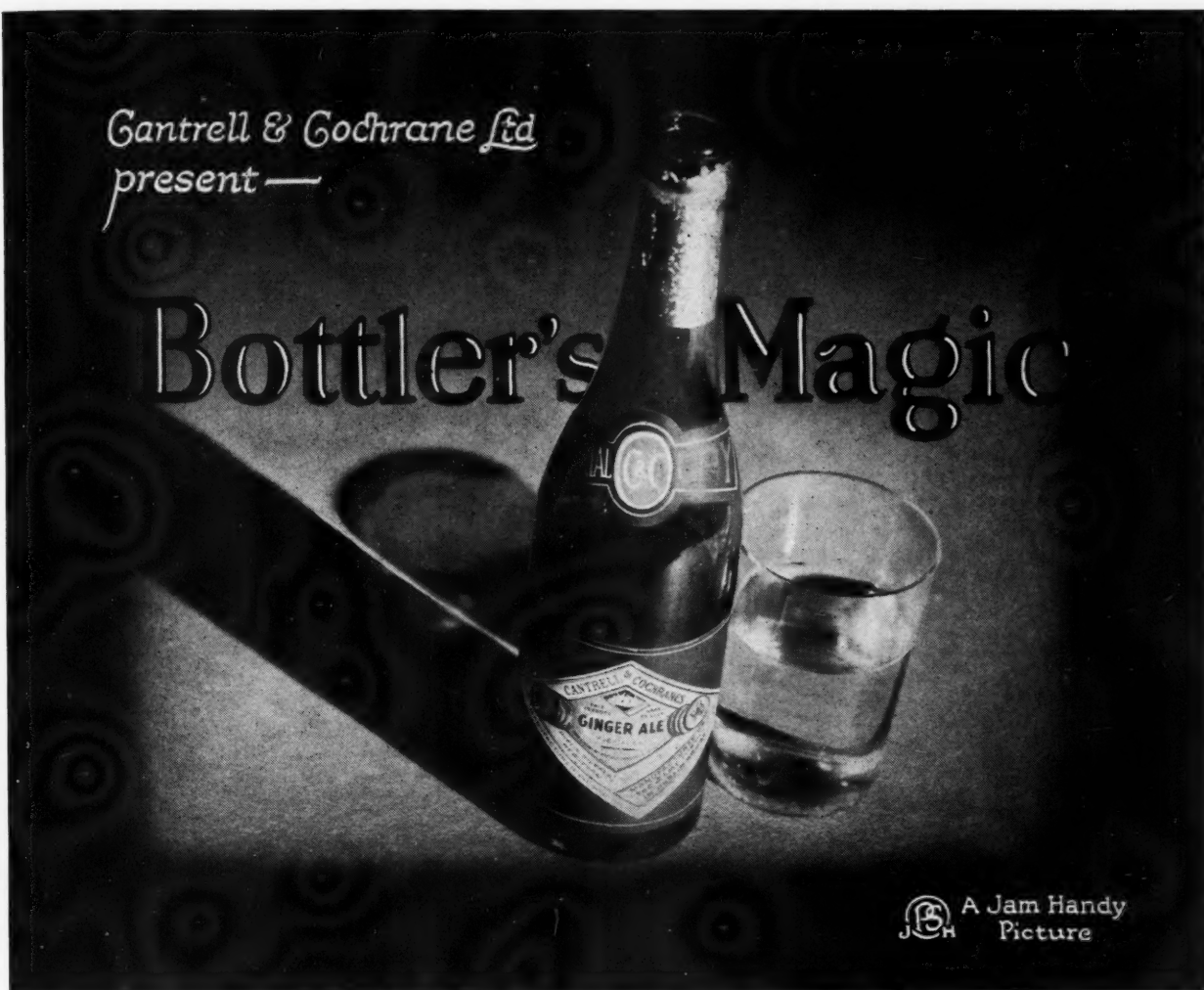
Ask Yourself These Questions When Hiring Salesmen:


1. What is the job to be done?
2. What type of man is needed for the job?
3. Are his personality, age, experience and education fitting?
4. Do we use the right application blank?
5. Has the interview been properly organized?
6. Can impressions of the applicant be checked by another executive?



Gantrell & Cochrane Ltd
present —

Bottler's Magic



 A Jam Handy
Picture

Adding Sparkle to a Sales Campaign

When Cantrell & Cochrane, Ltd., decided to show an interesting picture of the manufacture of C & C Ginger Ale, they engaged expert service to help them present their ideas.

Under C & C supervision, the right kind of a motion picture for the purpose was planned and produced on schedule.

The completed picture is being shown as a part of their sales campaign to introduce their product in South America.

Motion pictures of the right kind offer the clearest, quickest way to make effective impressions that carry conviction and supply proof. Jam Handy Picture Service is organized to produce pictures that reflect the sparkle of a product or an idea.

Fifteen years of successful experience has developed a skilled staff of over a hundred persons highly specialized in making industrial motion pictures and lighted still pictures for sales education and service instruction.

On the technical side, Jam Handy Picture Service has the largest studios and laboratories in the world devoted exclusively to the production of commercial pictures and is producing on a scale that gives you the benefit of big-time volume economies.

Every picture that we have ever made has helped to accomplish the buyer's purpose.

Jam Handy Picture Service

Jamison Handy, President

6227 Broadway, Chicago

NEW YORK, CHANIN BLDG.—DAYTON, REIBOLD BLDG.—CLEVELAND, HANNA BLDG.—DETROIT, GENERAL MOTORS BLDG. REGIONAL SERVICE REPRESENTATIVES AT PRINCIPAL POINTS THROUGHOUT THE U. S.
STILL AND MOTION PICTURES — PROJECTORS — ANIMATED DRAWINGS — SCREENS — SLIDEFILMS

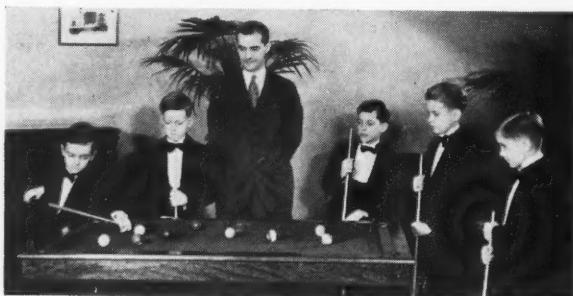
How We Bucked the Problem of Public Disfavor

A CAMPAIGN remarkable for its far-sightedness, and for the results obtained in a comparatively short time, has been promoted by The Brunswick-Balke-Collender Company for several years, and will continue indefinitely, to remove the stigma that has been attached to the game of billiards and to educate players for the future.

This game some years ago fell into disrepute; because pocket billiards was originally called "pool" the public confused the name with "pool rooms," which were primarily places to bet on horse races or engage in other unlawful practices. Because

BY B. E. BENSINGER

President, The Brunswick-Balke-Collender Company, Chicago



B. E. Bensinger tells in this article how his company created a market for billiard tables by a campaign to make "pool" respectable.



of this distasteful association, some came to think of the game as being evil and to question the morals of those who played it.

There was nothing sinful in the game, but it was played in many undesirable and second rate places, and in time we realized the fact that in order to divest it of the opprobrium which was attached to it, heroic measures would have to be adopted to clarify the atmosphere.

The plan of establishing recreation clubs was first introduced about 1917, but was interrupted by the War, and little was accomplished until 1921, when renewed activities began to show effective results.

Before going into this, however, I want

to mention some of our efforts to remove the stigma of the word "pool." In the first place, we spent a considerable amount of money in trying to suppress the use of the word "pool" as applied to billiards. In all

our letters to the trade we stress the importance of using the term billiards or pocket billiards; we have secured the cooperation of the press; we have educated our dealers and we even call on sign companies to urge them not to use the word "pool"

anywhere, in any form, on a building that houses a billiard or recreation room.

We constantly work with the city officials of all cities in an effort to properly promote billiard rooms and we are careful to investigate the character of all who come to us for

equipment to establish a small room.

All of our work is constructive, and it is largely along the lines of promoting recreation clubs.

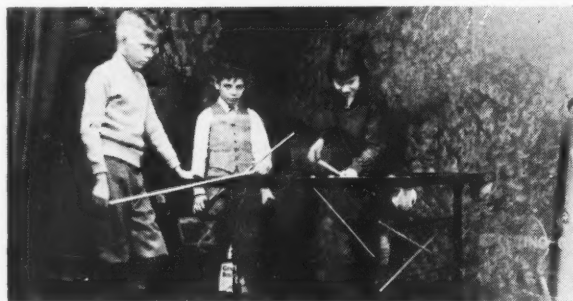
We go into all principal cities and do all the work of promoting such ventures. We are manufacturers, not operators. Armed with statistics compiled from long experience, we engage a prominent real estate agent and



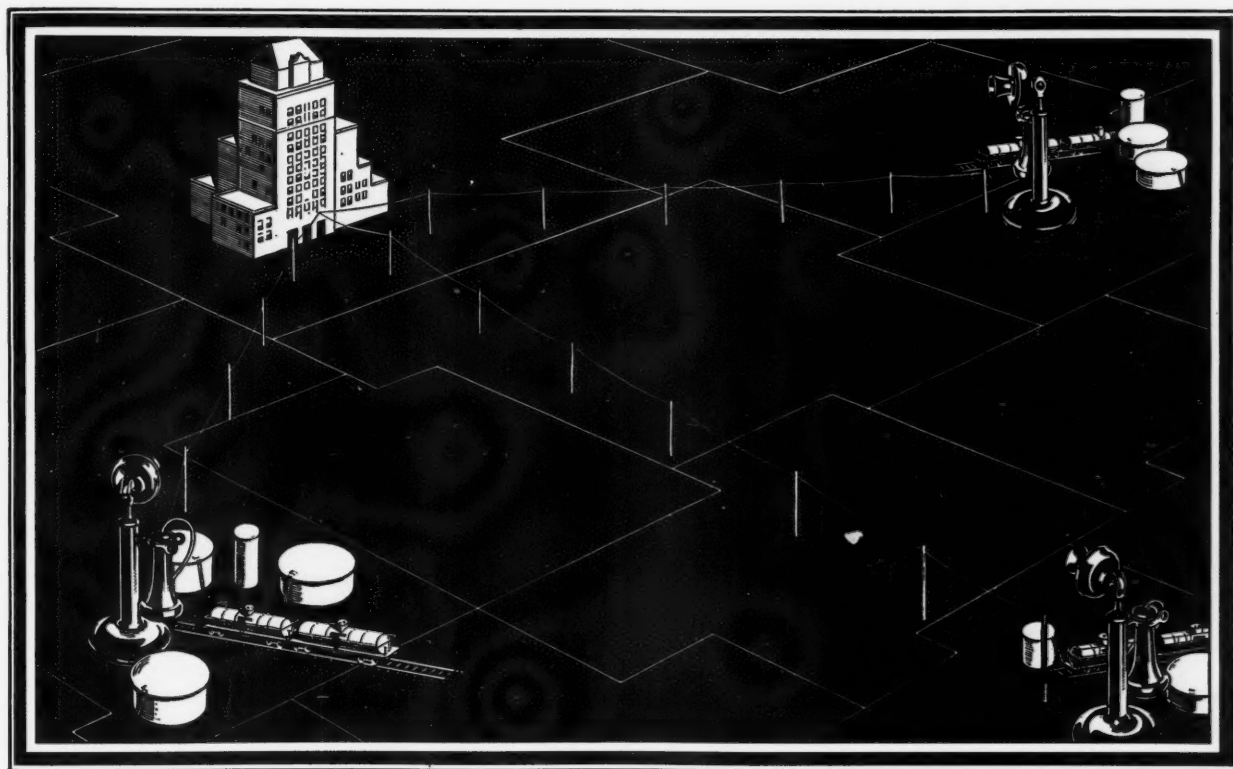
select a desirable location for a recreation club. We make a survey of the community and we know what returns can be depended upon.

We determine what kind of building would be best suited in each and every location and what kind of business could occupy the ground floor most advantageously and profitably. Because the equipment requires so much floor space the recreation room itself can be on an upper floor, where

(Continued on page 276)



Let Private Telephone wires connect your Distant Offices



A LARGE oil company has headquarters in New York and district offices in New England cities. It is essential that these be operated in close conjunction, especially in such matters as deliveries, prices and sales. The needed co-ordination is brought about by Bell System Private Wire Telephone Service—the exclusive use of telephone circuits between two or more cities.

Private Wire Telephone Service makes possible close supervisory control over all units of an organization. It is a convenient medium for administrative discussions. It facilitates the transmission of general information, technical specifications, orders, etc. It makes fewer trips necessary for busy executives.

A food products company has a private telephone service from its plant to New York to make purchases, talk to dealers, receive orders. A steel company conducts administrative and other important business between mill and main office 440 miles apart. A brokerage house connects branches and New York office, for stock trading and market gossip.

Private Wire Telephone Service gives the quick, two-way communication so vital in meeting modern conditions. It speeds business. It lessens the handicap of distance. Your local Bell Company will gladly give you complete information. For inter-city business, the telephone is *Quick . . . Convenient . . . Inexpensive.*



A Six Weeks' Campaign that Sold 1,100 Washing Machines

WHEN for the first time, a public utility joined forces with three department stores to sell Easy Washers under the leash of heavy newspaper advertising. The Syracuse Washing Machine Corporation sold over 1,100 machines in a month and a half in Boston, the largest volume of business ever done by the company in a single campaign.

The Boston firms that set this precedent of cooperation were the Edison Electric Illuminating Company, R. H. White Company, Gilchrist Company, and Houghton & Dutton. The campaign lasted from October 1 to November 15, 1929.

The success of the campaign is attributed largely to the newspaper advertising and to the personal sales call follow-through of the coordinating units. Following an initial announcement of a free trial demonstration offer in a full-page newspaper advertisement signed by the four participants, advertisements in Boston newspapers were staggered throughout the campaign so that Easy Washer advertisements by some one of the four participants appeared each day in some Boston newspapers. Copy emphasis was placed on the \$5 down payment.

Concurrent with the newspaper advertising, the Boston Edison sent out to its customers' list of 175,000 a broadside, making the same offer found in the newspapers. These cards mailed in lots of 25,000 offered a demonstration, the order for which could be placed through any of the four participants whose names were listed. Over 400 returns were received.

During the initial week, window displays appeared in the participants' windows. In the house furnishing department of the stores and in the shops of the Edison company Easy Washers were prominently displayed in the line of heaviest traffic and the stock of machines exhibited was augmented to capacity because of the psychological effect of numbers.

In addition to the business obtained by these devices, the telephone canvass was employed successfully. Store customers and electric light users were canvassed by telephone. The oper-

Intensive canvassing, local advertising, emphasis on demonstrations, close supervision of retail salespeople, and an unusual degree of cooperation between department stores and a public utility, were the features of the drive which set this new record.

BY MORTON GILDE

*Divisional Sales Manager, The Syracuse Washing Machine Corporation,
New York City*

ators, after telling Mrs. Jones, that Mr. Blank of the house furnishings department suggested their calling, endeavored to arrange a demonstration. If they could not bring the prospect to the point of assenting to a demonstration, they urged the prospect visit the store.

The campaign was launched at a dinner meeting in which the sales persons involved were drilled in their duties. This start-off was followed by daily morning meetings of the staffs in the different stores. Bonus and prize plans supplied further sales stimulation.

Prizes offered were: two for the greatest number of machines sold by each store's outside organization; two for the greatest number sold by the inside or floor organization of each participant; one to the person arranging the largest number of demonstrations resulting in actual sales; one to the salesman or saleswoman who brought in the largest average down payment, (this was designed to assuage the financing problem of the participants). A prize for the largest number of the \$150 machines sold in proportion to the demonstrations made was also awarded. While the advertisements offered the \$99.50 machines, two more expensive machines were stressed in the sales. These machines are more modern, and because of improvements are not comparable on a price basis with competitive makes. Hence their sale was stressed, both because of their newness and also because of the lucrative profit they represent.

Some of the participating depart-

ment stores offered an additional cash bonus for large down payments. These bonuses cost the company nothing because they received an immediate cash return instead of carrying the account on the books at 6 per cent. The schedules for these bonuses were: \$25 down payment received a \$2 cash bonus, \$50 payment received a \$4 bonus. Cash sales received a \$5 bonus.

The Edison Electric Illuminating Company, because of its thirty-seven branch stores, used a different bonus and prize setup. It offered two prizes for the district store securing the greatest number of sales during the campaign, three for outside salesmen on the basis of the greatest volume of business done; one to the inside staff of the main store for selling the greatest number of machines; two prizes for the largest number of sales made in proportion to demonstrations arranged; one prize for the largest number of demonstrations arranged by the district managers' staffs over the telephone.

Most salesmen were paid on commission. In order to stimulate emphasis on larger models, salesmen's commissions were proportionately larger. The telephone canvassers were likewise remunerated more for the higher priced machine demonstration arranged, which resulted in a sale. In addition to a small salary a commission of \$2 was paid on the \$99.50 machine and a commission of \$5 on the larger machines. These commissions were deducted from the salesmen so that net selling expense to each store did not exceed the usual commission paid.

(Continued on page 279)



Over a million "BOSTONIANS" don't make their homes in BOSTON!

Where do they live?

What daily newspapers are read in their homes?

*Daily circulations won't tell you . . .
Sunday figures will!*

Corporate Boston has a population of only 800,000.

But over a million people live in the 39 cities (all within a 15-mile radius of downtown Boston) which make up Metropolitan Boston. These people work . . . shop . . . play in Boston—but they don't live in Corporate Boston.

Nearly half of them commute daily.

With such an army of commuters it is impossible to tell whether daily papers are bought to be read in the home or *en route*.

Add to this the existence of two combination morning and evening papers, and it is clear that daily circulation figures cannot prove home strength.

But daily reading habits can readily be checked by Sunday facts.

On Sunday, practically all papers are sold in the reader's neighborhood and read at home . . . *leisurely, thoroughly*. The favored Sunday paper is necessarily a home paper seven days a week.

And which paper is this, in Boston?

The three papers carrying the largest volume of advertising all publish Sunday editions. One loses 20% of its readers on Sunday in the Boston Trading Area. Another loses 53%. And no other Sunday paper picks up this lost circulation! The third—the *Globe*—has the same circulation on Sunday as on week days. *It is the established home paper in the Boston Trading Area.*

Boston's department stores use more space in the *Globe*, daily as well as Sunday, than in any other Boston paper. National advertisers can see the application to their own problems.

The facts on the Boston Trading Area will be found in the free booklet, "Reaching Buying Power in the Boston Market." Write for a copy.

THE BOSTON GLOBE

Younggreen to Refuse Re-election; Advertising Groups Plan Programs

Charles C. Younggreen, of Klau-Van Pietersom-Dunlap-Younggreen, Inc., advertising agency, Milwaukee, president of the Advertising Federation of America for the last two years, is not a candidate for re-election to that position, he informed SALES MANAGEMENT this week.

"I gave practically all of my time for two years to that work," Mr. Younggreen said, "and I believe I have contributed my share to the cause. Two years are enough for any president."

Mr. Younggreen pointed out that his successor would "find the association free of debt and a sound policy established. There is a real place for its work to protect the future economic value of the advertising dollar."

With him out of the running, the election at the convention in Washington, May 21, will be largely a free-for-all. A dozen people have been mentioned for the position.

Several past presidents of the association will take part in a special dinner in their honor during the convention. Members of this group include C. K. Woodbridge, New York; Rowe Stewart, Philadelphia; Charles Henry Mackintosh, Chicago; George W. Coleman, Boston; William C. D'Arcy, St. Louis; Herbert S. Houston, New York; and Smith Quayle, Cincinnati. Programs of several departmental organizations, which will meet in Washington at that time were announced this week by the federation. Speakers will include:

General Advertisers: Bernard Lichtenberg, Alexander Hamilton Institute; G. Lynn Sumner, G. Lynn Sumner Advertising Agency; P. L. Thomson, Western Electric Company; Bennett Chapple, American Rolling Mills Company; C. C. Concannon, chemical division, Department of Commerce; Walter Drey, *Forbes Magazine*; W. W. Wachtel, Loose-Wiles Biscuit Company, and Floyd B. Nichols, Capper Publications.

American Community Advertising Association: Charles F. Hatfield, president; Herbert M. Bratter, Department of Commerce; Don E. Mowry, Don E. Mowry & Associates, and secretary of the association, and Isabell F. Story, Department of the Interior.

Advertising Specialty Association: William H. Seeley, Osborne Company; Rolland D. Doane, Lehigh Portland Cement Company, and L. A. Chambliss, Fidelity Union Trust Company, New Jersey.

Manufacturers' "Merchandise Advertising" Association: H. B. Conselyea, Nestle's Food Company; Mary Irene Hart, Aluminum Goods Manufacturing Company; Edward C. O'Donnell, Studebaker Corporation of America, New York; and F. B. Ryan, Ruthrauff & Ryan, Inc.

Magazine Group: Dr. Joseph W. Hayes,

Crowell Publishing Company; Walter Drey, *Forbes Magazine*; William A. Sturgis, Smith, Sturgis & Moore; Robert L. Johnson, *Time*; and Rufus Bradford Burnham, Littlehale, Burnham, Rossiter, Inc.

Agricultural Publishers Association: Senator Arthur Capper of Kansas; Dr. O. E. Baker, Department of Agriculture; Wal-fred E. Boberg, the *Farmer & Farm and Stock & Home*; and William C. Allen, *Dakota Farmer*.

Direct Mail Advertising Association: Ben J. Sweetland, Sweetland Advertising, Inc.; Kenyon Stevenson, Armstrong Cork Company; Charles M. Belnap, Belnap Envelope Company; Charles W. Hawkes, Sampson & Murdock Company; and Homer J. Buckley, National Council of Business Mail Users.

The program for the session of Federation of Women's Advertising Clubs of the World, include Mr. Younggreen; Mrs. William Brown Meloney, New York *Herald-Tribune Magazine*; Dorothy Dignam, N. W. Ayer & Company; Mary I. Barber, Kellogg Company; Jeannette Carroll, Bryant-Stratton College, Providence.

Participating in the meeting of the **Public Utilities Advertising Association** will be P. S. Arkwright, Georgia Power Company; B. J. Mullaney, People's Gas Light & Coke Company, Chicago, president of American Gas Association; A. W. Robertson, Westinghouse Electric & Manufacturing Company; Dr. Louise Stanley, Department of Agriculture; Owen A. Conner, Philadelphia *Public Ledger*; John B. Kennedy, *Collier's Magazine*; Congressman Charles A. Eaton of New Jersey; Edwin S. Friendly, New York *Sun*; Bruce Barton, Batten, Barton, Durstine & Osborn; William H. Hodge, Byllesby & Company; Henry Obermeyer, Consolidated Gas Company; Joseph B. Groce, Edison Electric Illuminating Company, Boston; Donald M. Mackie, Allied Power & Light Corporation; Howard F. Weeks, Consolidated Gas Company; and Earl Whiterhorne, McGraw-Hill Publishing Company.

At the meeting of the **Newspaper Advertising Executives' Association**, speakers will include Clarence Wagner, Baltimore *Sun*; Lew Hahn, Hahn Department Stores, Inc.; Amos Parrish, Amos Parrish & Company; Duane Wanamaker, Grigsby-Grunow Company; Hays MacFarland, Hays MacFarland & Company; Frank Green, *Bradstreet's*, New York; Robert W. Lyons, National Chain Store Association; John Moody, Moody's Investors' Service; and Paul E. Murphy, Frederick Loeser & Company.

Earl D. Baker, business manager of the *Washington Daily News*, will discuss co-operation between the radio and the newspaper at a broadcast advertising session. Also on this program will be T. F. Driscoll, Armour & Company; M. Meighan, J. Walter Thompson Company; R. D. Keim, E. R. Squibb & Son; John Benson, president, American Association of Advertising Agencies, and Frank A. Arnold, National Broadcasting Company.

To Advertise the Thames

Resorts along the River Thames will be advertised this year in a \$5,000 campaign to attract the holiday trade. The campaign is sponsored by riverside towns and other groups between Oxford and Richmond.

United Motors Service Appoints F. A. Oberheu

F. A. Oberheu has been appointed president and general manager, and H. W. Anderson, vice-president and assistant general manager, of United Motors Service, Inc., Detroit, official field service organization for Delco-Remy starting, lighting and ignition equipment, Hyatt roller bearings, the new Delco automotive radio, AC products and a number of other subsidiaries of General Motors Corporation.

Mr. Oberheu has been with the Service twelve years—ten as sales manager and for the last year as vice-president and director of sales.

United Motors now has twenty-seven control branches and 3,600 authorized service stations in the United States and Canada.

General Foods Expands in the British Isles

Grape Nuts Company, British subsidiary of General Foods Corporation, New York, has increased the number of its lines from four to seventeen in the last two years.

Following the policy of achieving complete distribution before starting to advertise, originated by C. W. Post, founder of the company, when he came over to England in 1900 to introduce one of the first packaged cereals in that country, advertising on several of these products will start for the first time there this year.

One hundred and fifty million advertisements are scheduled in newspapers and magazines this year for Grape Nuts and 100,000,000 for Postum.

Wall Street Journal May Acquire News

Purchase of the *Wall Street News* by the *Wall Street Journal*, two of the largest financial publications, is now being negotiated, Kenneth C. Hogate, vice-president and general manager of Dow, Jones & Company, publisher of the *Journal*, and Melvin J. Woodworth, president of the New York News Bureau Association, publishing the *News*, announced jointly this week.

News ticker service of the two companies would remain competitive. The *News* has a circulation of 17,000 and the *Journal*, 51,000.

Shell in New Home

Headquarters of the Shell Oil Company are now located in the new Shell Building, Shell Corner, San Francisco.

He didn't think Catalog Covers cut any Ice until his Prospect *Froze up on him*

Maybe that's why the bacon your salesmen bring home is lamentably lean. Are they totting bound catalogs, necessarily out-of-date, full of prices and pictures that mean nothing? Perhaps that's why prospects don't warm to your product. Aren't mental ice storms and verbal blizzards *your* reaction to salesmen who litter *your* desk with books that come under the head of rare editions,

folders that look like the cat had cornered them first?

Ever consider loose-leaf as the answer to the catalog question? Ever see one from Remington Rand? Baker Vawter-Kalamazoo covers stand wear and tear, look well, open and close easily,

lie flat on the desk. Sheets are held tightly yet can be interchanged in 10 seconds. Material inside can be always up-to-date, shown in a quick, neat way, leave an impression that you do business in a business-like way.

Send for the book, "Catalogs that Sell". No obligation.

Baker Vawter-Kalamazoo Division

Remington Rand
BUSINESS SERVICE
BUFFALO, NEW YORK



*Style "H" Binder
the Peer of Loose-Leaf
Catalog Covers*

Art Directors Choose Ten Winners; Open National Exhibit

Medal winners in ten classifications of advertising art were announced this week by the Art Directors Club of New York, at the opening of the annual exhibition of advertising art at the Art Centre, 65 East Fifty-sixth Street, as follows:

Figures, Miguel Covarrubias, for a painting for Steinway & Sons still life, Walter Frame, for Procter & Gamble Company; miscellaneous, Edward A. Wilson, Horace E. Dodge Boat & Plane Company; posters and car cards, Robert Gellert, Atwater Kent Manufacturing Company; black and white illustrations, Peter Arno, Peck & Peck; pen and ink, William Welsh, Alfred Decker & Cohn; decorative designs, Walter Huxley, Bauer Type Foundry; photographs, Anton Breuhl, Weber & Heilbroner; merchandise, Elwood Whitney, for a bottle for Kathleen Mary Quinlan, Inc.; magazine covers, Walter Buehr, for his cover for the Conde Nast Publications.

The jury comprised Eugene Spiecher, Mrs. Harry Payne Whitney, Margaret Breuning, Frank Crowninshield, Henry McBride and Edward Hopper.

About 200 advertisers and fifty agencies were represented in the contest.

Barrington Associates, New York, have removed their offices to 20 East Forty-second Street.



A. O. Buckingham, advertising manager of Cluett Peabody, who has been elected to the board.

Underwood Head Makes Trans-Atlantic Talk

A trans-Atlantic address to a convention of British representatives of the Underwood Elliott-Fisher Company was delivered recently by P. D. Wagoner, president of the company at New York. Mr. Wagoner talked for ten minutes across 3,000 miles of water—every word being heard clearly by the representatives at London.

H. Cranfield Davis, managing director of the Underwood Typewriter Company, Ltd., filed the call from London near the close of the convention and the hook-up was completed within a few minutes.

New Plough Program Pushes Larger Sizes

To aid independent dealers in obtaining a larger unit of sale and profit on its cosmetics, Plough, Inc., Memphis, is launching an advertising campaign, emphasizing its fifty-cent, seventy-five-cent and \$1 sizes.

The new policy, the company points out, will be profitable also to the public by giving them greater quantity at a proportionately lower price. It will be featured in its advertising in daily newspapers, rotogravure sections, magazines and farm papers. The company's appropriation this year will be more than \$1,000,000.

Clement Ehret Heads International Scale

Clement Ehret, vice-president in charge of the future demands department of International Business Machines Corporation, New York, has been elected executive vice-president of the International Scale Company, a division of the corporation.

F. W. Nichol, assistant to the president, will have full charge of the company's business abroad. William McLardy has been appointed manager of the exhibit and window display department.

Cluett, Peabody Elects Buckingham to Board

A. O. Buckingham, advertising manager, Cluett, Peabody & Company, Inc., New York, has been elected to the board to succeed J. S. McAuley, director in charge of shirt and underwear factory operations, who resigned last week.



P. D. Wagoner, Underwood Elliott-Fisher Company, talks from New York to a London sales meeting.

Newspapers and Radio Will Occupy Four A Meeting Next Week

Newspapers, radio and agency inter-national operation will be the three major subjects before the thirteenth annual meeting of the American Association of Advertising Agencies, at the Mayflower Hotel, in Washington, D. C., May 15 and 16.

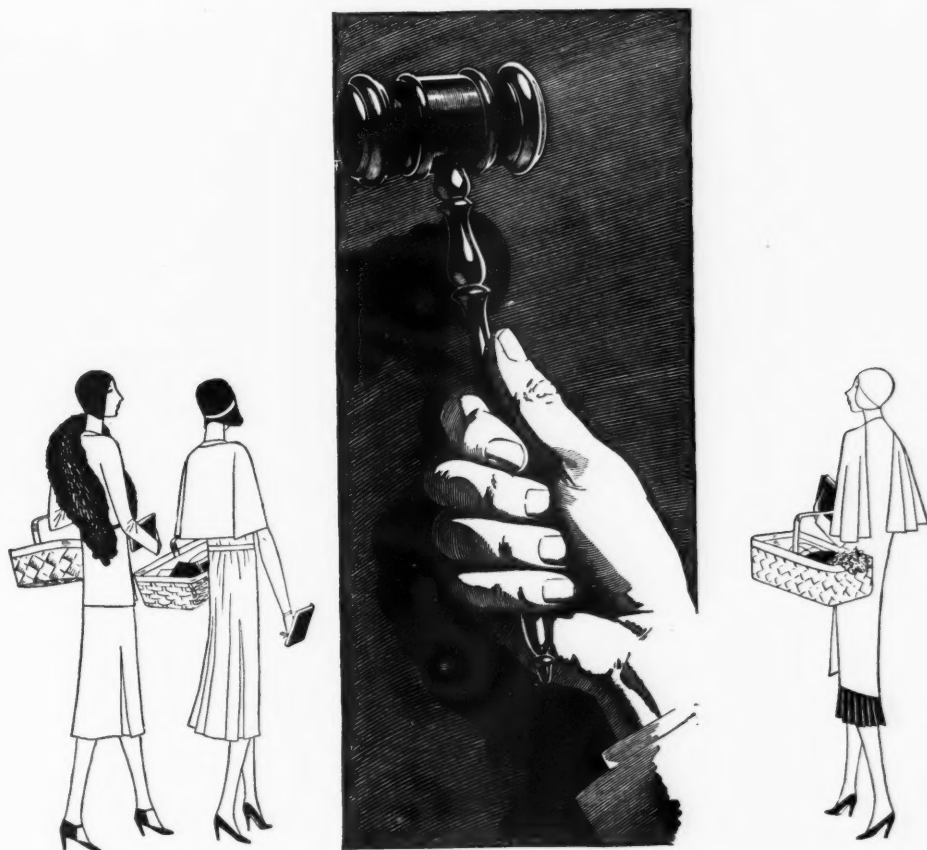
Speakers at the opening session include:

L. Ames Brown, Lord & Thomas and Logan; John Benson, president of the A. A. A.; William S. Hedges, National Association of Broadcasters; John U. Reber, J. Walter Thompson Company; Lee H. Bristol, Bristol-Myers Company and chairman of the A. N. A. committee on radio checking; H. T. Ewald, Campbell-Ewald Company, chairman of the National Outdoor Advertising Bureau; J. Fred Woodruff, Campbell-Ewald Company, and F. R. Gamble, executive secretary of the Four A's.

Stewart L. Mims, J. Walter Thompson agency, research chairman, and Dr. Daniel Starch, director of research, will open the meeting.

Guy H. Richards, Erickson Company, will talk on "Forced Combination Rates." Other subjects for this session include: "Local and National Rates," Mr. Benson; "Retail Advertising in Newspapers," Kenneth Collins, R. H. Macy & Company; "Circulation," P. L. Thomson, Western Electric Company and president of the Audit Bureau of Circulation; "Lineage Records of National Advertisers and Their Value," F. G. Hubbard, Batten, Barton, Durstine & Osborn; "Country Newspaper Audits," L. S. Kelly, H. K. McCann Company, and country newspaper chairman.

Speakers at a "closed session" Friday morning will be: Mr. Benson, Mr. Gamble, G. Lynn Sumner, Milton Towne of Richardson, Alley & Richards; E. R. Gardner, Gardner Advertising Agency; J. H. Eydele, H. E. Lisan Advertising Agency; M. L. Wilson, Blackman Company; Paul E. Faust of Mitchell, Faust, Dickson & Wieland; Harrison Atwood, H. K. McCann, and Henry C. Flower, J. Walter Thompson Company.



IS YOUR CONFIDENCE FOR SALE TO THE LOWEST BIDDER?

YOU women of America represent a tremendous buying power. You spend a fourth of the national income for food alone, not to mention all the other articles you buy.

And you spend it wisely, for figures show that a large proportion of your money goes for known and advertised goods.

But you are greeted today by a host of insidious invaders among the products you have bought for years.

These newcomers are the "private label brands"—the "just as good."

They bid for your confidence with all the wiles of substitution.

They set their prices up in comparison with known and advertised brands—with an adroit implication that their quality is just as good.

But you do not know who makes them. You do not know that the manufacturer

himself has confidence in these substitutes, for he has never told you so through the pages of your favorite newspapers and magazines.

The fact that they are offered to you is proof in itself that the stores where they are sold hope to gain for themselves some extra benefit from their sale. Otherwise, these stores would naturally sell what everyone knows and wants—the advertised and tested products.

For every merchant knows that it is easier to sell articles which already have the confidence of the public—and that means the products which have published a statement of their merits and have proved their merits in millions of homes.

The substitute has no reputation to maintain—it offers you nothing but a price—how can you be sure of its quality?

Do not sell your confidence to the lowest

bidder. Such products are no "bargain." There can be no true comparison between them and products known, sold, and respected everywhere.

To be sure of quality, full weight, purity and honest manufacture, buy the advertised goods every time.

These facts are published by Pictorial Review.

This magazine enjoys the confidence of more than two and a half million families.

It enjoys, also, the confidence of manufacturers and dealers—for they know that this publication, like others, insists upon high standards of quality and purity in all articles sold through its pages.

In appreciation of this three-fold confidence, PICTORIAL REVIEW publishes this warning—with the belief that it will help the greatest group of purchasers in the world to spend their money more wisely and well.



Refuse substitutes; buy the advertised brand every time!

This is the second advertisement of a series—full pages—metropolitan newspapers—published by PICTORIAL REVIEW in the interests of advertised merchandise.



Stanley E. Baldwin, who has been made director of merchandising of Willard Storage Battery.

Willard Names Baldwin to Head Merchandising

Stanley E. Baldwin, advertising manager, has been promoted to director of merchandising with supervision of advertising and renewal sales, and F. G. Teufel has become renewal sales manager of the Willard Storage Battery Company, Cleveland.

Mr. Teufel, formerly assistant manager of renewal sales, assumes the duties of H. S. Gardner, who has resigned owing to illness.

Clifton C. Andrews, assistant to Mr. Baldwin, has become advertising manager.

German Razor Makers Will Combat Gillette

Announcement of the Gillette Safety Razor Company that it will soon manufacture its new razor and slotted blade in Germany is rousing the German razor blade manufacturing industry to united action. The Gemeinschaft Solinger Rasierklingen-Interessenten has been formed in Solingen, seat of the German razor blade industry, to appeal against the proposed patenting of the blade on the ground that slotted blades have been made and sold in Germany in the past.

The campaign will be financed by the various factories, and the group hopes ultimately to include all razor blade manufacturers in Germany—although a few, in Berlin, are likely to remain under American influence.

The razor blade industry in Germany has expanded rapidly in recent years.

Photograph Industry to Spend \$195,000 on "Picture-Week"

The amateur photographic industry, camera shops, photo finishers and druggists' photo departments are co-operating with the Master Photo Finishers of America to promote a nation-wide "Take-a-Picture Week," May 18-25.

The advertising will be chiefly window displays in every photo retail outlet and special offers of from 200,000 to 300,000 box cameras, to be sold practically at cost, in order to stimulate the use of more film, Guy A. Bingham, executive manager of the Photo Finishers, Rockford, Illinois, told SALES MANAGEMENT.

"There is now only one camera to every home," Mr. Bingham explained, "and only one-third of the cameras in homes are active in any given season. The camera manufacturers are furnishing the window displays at their expense for installation by the finishers in some 60,000 retail outlets, and the Eastman Kodak Company is emphasizing the program in its broadcasts during May over the National and Columbia systems.

The campaign is also being mentioned in photo advertising in magazines, under the slogan "Remember the Day with Snapshots."

Mr. Bingham estimated the total expense at \$195,000, chiefly in window displays.

Remove Restrictions on Metered Mail

Walter F. Brown, Postmaster General, announced last week removal of restrictions affecting the acceptance of first- and fourth-class metered mail.

Under the order first-class metered mail may be deposited in lots of not more than 300 pieces in designated street package collection boxes and fourth-class mail, irrespective of the number of pieces, will be accepted at post offices from persons who hold permits for mailing fourth-class mail as metered permit mail.

Form Sales Agency

Walter Raymond Company, Inc., has been organized at 233 South Fifth Street, Philadelphia, as representative and sales agents in the Philadelphia territory for manufacturers selling through grocery, drug and confectionery stores. I. Raymond Spector is general manager.

Motor-X-Ray Company, Inc., Glendale, California, has established sales headquarters in Chicago. The factory remains at Glendale.

Account Changes

L. C. SMITH & CORONA TYPEWRITERS, INC., New York City, to J. Walter Thompson Company, there.

APPLES FOR HEALTH, INC., Chicago, national apple advertising association, to Henri, Hurst & McDonald, Inc., there. Newspapers, magazines, farm papers and radio, in the fall.

DANIEL REEVES, INC., New York, grocery chain, to Frank Presbrey Company, there.

EMPIRE STATE, INC., New York, Empire State Building, to Andrew Cone General Advertising Agency, and Friend-Wiener Advertising Company, there. Newspapers and magazines.

JULIUS KAYSER & COMPANY, New York, underwear, hosiery and gloves, to Young & Rubicam, Inc., of that city. Effective July 1.

FREMONT CANNING COMPANY, Fremont, Michigan, Gerber Products division account to George Harrison Phelps, Inc., Detroit. National women's magazine, professional journals and direct mail.

Borden Works Out New Method of Checking Window Displays

(Continued from page 255)

receipt and check that the display has been properly put in. The first part is a definite order for a display, directed to the manufacturer. It specifies the time the window is scheduled to run and is signed by the dealer.

When this form is used by the installer he presents to the store owner his signed order and proceeds with the set up. As each window is completed the dealer signs the second half of the form, certifying that the window has been properly placed, and agreeing to continue the display for two weeks.

The dual form is then returned to the advertiser with invoices. Dates may be checked to show how efficiently the booking system is working. Comparison of signatures indicates whether the man who was first sold the use of the display has accepted it when put in and agreed to continue it as planned.

Since the distributor's name does not appear on the form, a key may be used to indicate territories, jobbers or salesmen. Thus the advertiser may determine from what source the bookings are obtained, and from whom he is getting the best cooperation.

A REVOLUTIONARY EXPERIMENT IN METHODS OF FOOD DISTRIBUTION

"Frosted Foods" Test Campaign Successful in Springfield, Mass.

Colby M. Chester, Jr., President of General Foods Corporation, Makes Statement Concerning "Quick-Frozen" Food Test Conducted Exclusively in Springfield Market.

(Reprinted from "Sales Management" of April 26, 1930)

The General Foods Corporation announced this week the result of a six weeks' experiment with quick frozen products at Springfield, Massachusetts. Using the first week of the experiment as a base, total sales of these products have increased at a rate of 25 to 40 per cent a week. Ten representative grocery stores have been conducting the test at Springfield and it is being advertised in newspapers there.

Announcing results of the test, Mr. Chester said he anticipates that the quick frozen proc-

ess, when extended, will benefit several large industries. "Many of the 400,000 grocery stores in the United States will be potential users of new electrical refrigeration equipment," he explained. "The automobile industry will be called upon for special trucking facilities. Railroads and ships will be used for the transporting of frozen food products over long distances. Farmers will be able to sell perishables which are now at least partially wasted. Housewives will have the equivalent of fresh perishables at all times of the year."

Why Was Springfield Chosen As The World's Test City for Frosted Foods?

For information concerning the sales possibilities of any product in the Springfield market, address The Merchandising Service Department,

Springfield Newspapers

UNION • REPUBLICAN • DAILY NEWS
SPRINGFIELD, MASS.



Newark Evening News

NEWARK, NEW JERSEY, is growing more rapidly than any other city along the Eastern seaboard. And, while the city itself is taking mighty forward strides industrially and commercially, her wealthy tributary communities in Northern New Jersey gain commensurately in population.

Here is a territory for the National Advertiser to cultivate intensively through the medium of its great Home Newspaper, the *Newark Evening News*.

It keeps step with the forward progress of its field, growing in influence and Circulation—not by offering prizes, premiums or other catch-penny inducements, but by MERIT alone.

Daily Circulation

155,755

(P. O. Statement April 1, 1930)

90% Home Delivered

FIRST

among the nation's six-day newspapers in volume of NATIONAL ADVERTISING.

Newark Evening News
ALWAYS REACHES HOME

EUGENE W. FARRELL
Business and Advertising Manager
215-221 Market Street, Newark, N. J.

O'MARA & ORMSBEE, INC.
General Representatives
New York Chicago Detroit San Francisco
Los Angeles

Agency to Handle Sales for Nine Glass Concerns

Allen & Kuhns Company, a sales agency, has been formed by H. E. Allen, formerly vice-president of the Libbey-Owens Glass Company, and C. D. Kuhns, recently of the Pittsburgh Plate Glass Company, to market the entire production of nine independent window glass manufacturers: Interstate Window Glass Company, Kane, Pennsylvania; Scohy Sheet Glass Company, of Sistrerville, West Virginia; Quertinmont Glass Company, Fairchance, Pennsylvania; Blackford Window Glass Company, Vincennes, Indiana; Wichitafals Window Glass Company, Wichita Falls, Texas; Baker Brothers Glass Company, Okmulgee, Oklahoma; Victory Window Glass Company, Sapulpa, Oklahoma; National Sash & Door Company, Independence, Kansas; and the Harding Glass Company, Fort Smith, Arkansas.

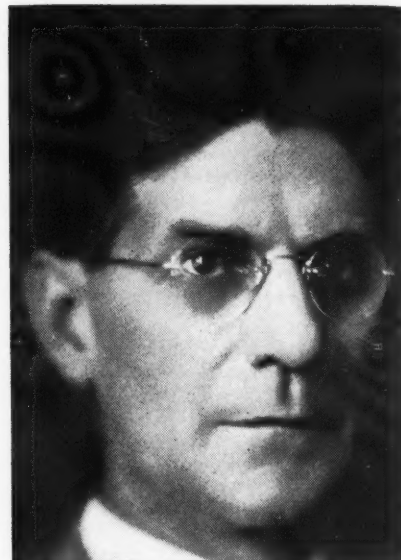
American to Introduce New Razor in August

American Safety Razor Company, Brooklyn, second largest manufacturer in this field, has started production on a new razor, which will be put on the market about August 15. Advertising plans have not been completed, and the company is not ready to announce details of the new product. The company makes Gem and Eveready razors and blades.

Chicago a \$1,140,830,000 Electrical Market

"A billion dollars in new business is the opportunity before the electrical industry in the Chicago area, if every home were equipped with electrical outlets and filled with its quota of electrical appliances," Samuel Insull, Jr., told the Electrical Association of Chicago last week. To be exact, he estimated that the opportunity would aggregate \$1,140,830,000.

"We have 1,086,500 homes in the Chicago area," Mr. Insull said, "and if every home were equipped with electrical outlets as it should be, the job should cost \$246,147,000. With the proper number of outlets in homes it would be possible to sell \$740,917,000 worth of appliances. Then something like \$85,000,000 would be spent for electrical energy to operate them."



Ralph M. Douglass

Douglass to Supervise Copeland Advertising

Ralph M. Douglass, formerly advertising manager of Kelvinator Corporation, refrigerators, and of Silent Automatic Corporation, domestic oil burners, has been named director of advertising and sales promotion of Copeland Products, Inc., manufacturer of electric refrigerators, Mt. Clemens, Michigan, succeeding William S. Race, resigned.

Honor Associations for Achievements

Six trade organizations were cited by the American Trade Executives' Association at Washington last week for outstanding achievements last year. One of them, the National Automobile Chamber of Commerce, received a bronze medal for its national cross licensing of patents agreement, which provides the pooling of about 1,700 patents.

The National Lumber Manufacturers' Association; National Association of Dyers & Cleaners; American Paint & Varnish Manufacturers' Association, and the Society for Electrical Development received honorable mention.

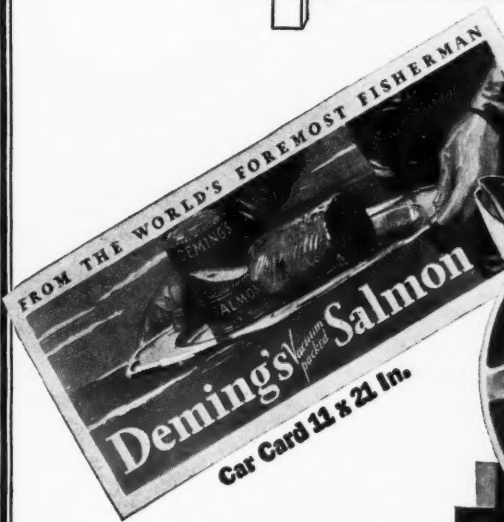
Boston Druggists Form Buying Association

People's Drug Stores, a cooperative buying association comprised of small chains and larger independent stores, totaling twenty-six units in Boston and surrounding territory, was established there this week. John Goodwin, controlling owner of the Kohler Drug Company, is general manager.

DISPLAY LITHOGRAPHY



Poster Panel
9 x 20 Feet



Car Card 11 x 21 In.



Window Streamer 7 x 24 In.

LET US
PUT OUR
COMPLETE
FACILITIES
AT YOUR
COMMAND



Cut-out 20 x 30 In.

WE WILL
CHEERFULLY
FURNISH
IDEAS AND
ESTIMATES

NATIONAL PRINTING & ENGRAVING CO.

Eastern Office
1674 Broadway
NEW YORK CITY

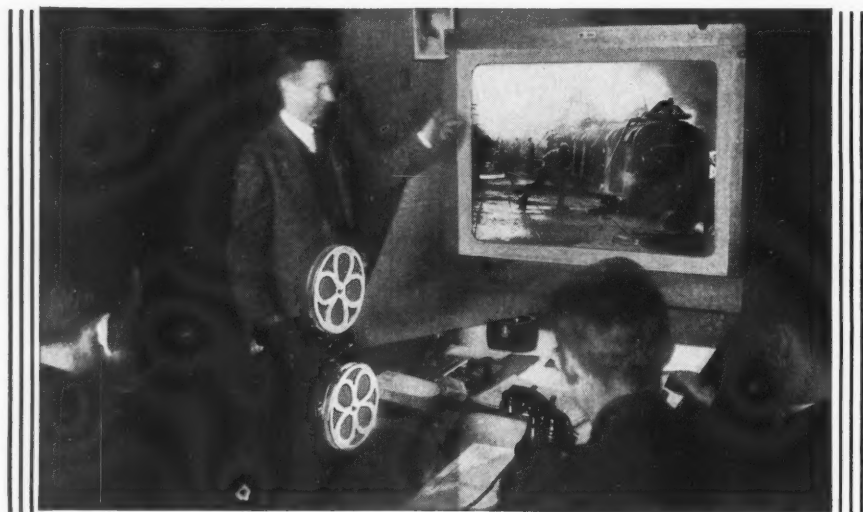
General Offices
Bank of Commerce Bldg.
7 S. Dearborn St. CHICAGO, ILL.

Southern Office
4225 Laclede Ave.
ST. LOUIS

PLANTS: Long Island City Niles, Michigan Chicago St. Louis

FILMO

helps to sell Armco



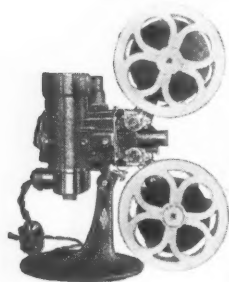
Armco, the world's largest exclusive producers of special analysis iron and steel sheets and plates, makes good use of the Filmo Projector in its sales promotional work

A great name in American business, FILMO, helps to sell another great name, ARMCO.

"The Filmo Projector meets our requirements admirably. It is easily operated and reproduces upon screen or wall a clear, flickerless picture. Moreover, it is flexible, quickly set up for showings, and performs dependably day in and day out.

"We certainly are well satisfied with our investment in Filmo equipment," says Armco.

Words may fail, but Filmo 57-C Business Projectors will always succeed in putting over your sales story.



*Filmo 57-C
Business
Projector*

250-watt, 5 ampere lamp, 45-50 condenser, geared re-wind, variable voltage resistance and voltmeter, with carrying case, \$246. Other models from \$198 up

Their very quality is an effective testimonial to the product they present. For Filmo Projectors are made by Bell & Howell, for more than 23 years leading makers of professional movie cameras and equipment.

Write today for "Filmo in Business" a booklet that will help you sell this modern selling method to your board of directors.

PROJECT-O-PHONE

A new voice in business

The Project-O-Phone is a new and practical synchronized sound movie instrument, complete from turntable to loudspeaker, utilizing Filmo Business Projector. Perfect synchronization is accomplished through mechanical coupling to turntable and projector. And the Project-O-Phone is so easily portable that it can be stowed away on the back seat of a salesman's car. Write today for details and name of nearest dealer.

BELL & HOWELL

Filmo

BELL & HOWELL COMPANY, DEPT. Q, 1821 LARCHMONT AVE., CHICAGO, ILL.
New York • Hollywood • London (B. & H. Co., Ltd.) • Established 1907

Gossip

GEORGE C. HUBBS, for a number of years advertising manager of Dodge Brothers Motor Car Company, Detroit, and later sales and advertising manager for the Pierce-Arrow Motor Car Company, Buffalo, has been appointed Western sales manager for the McCandlish Lithograph Corporation, Philadelphia, with headquarters in the Wrigley Building, Chicago.

... J. R. HANGARTNER, formerly Southern district manager for Grigsby-Grunow Company, Majestic radios, is now sales promotion manager of Majestic Distributors, Inc., distributors of Majestic radio products for New England.

... THOMAS J. RYAN, JR., director of advertising for Daniel Reeves, Inc., New York grocery chain, has joined Frank Presbrey Company, advertising agency there, continuing to direct the Reeves advertising.

... DORIS K. ADAMS is now director of domestic research for Baker Advertising Agency, Ltd., Toronto. ... ROLAND W. NEWHALL, formerly art director of the American Optical Company, has joined Badger & Browning, Inc., Boston agency.

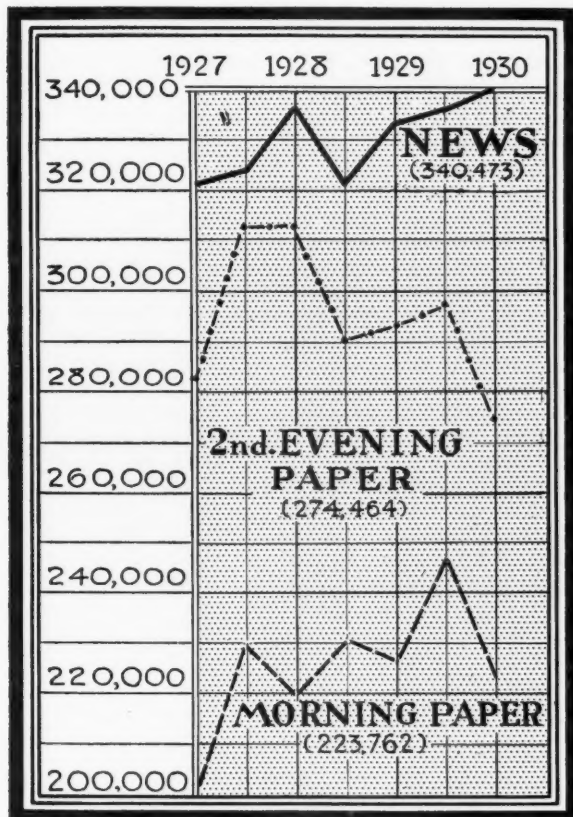
... GEORGE HOPPERT, for six years with the radio editorial department of the New York Sun, and later with the Buck-Sprague Company, publicity and advertising, there, has established his own news-publicity service at the Hotel New Yorker. ... F. W. MARLING, who has been research director and space buyer, has been appointed account executive for Crowell, Crane, Williams & Company, Chicago agency.

WEIR WILLIAMS succeeds him in the former position. HUGH MCKAY, formerly with Lord & Thomas and Logan, recently joined the executive staff there. ... C. W. FULLER has resigned as advertising manager of *College Humor* to accept a similar position with *Holiday*, to be launched in September by the American Automobile Association.

SCHUYLER KUDNER, formerly Western advertising manager, succeeds him. ... PAGE GOLSAN, until recently vice-president of the Great Western Portland Cement Company, Kansas City, has been appointed manager of the new business department of Ford, Bacon & Davis, New York engineering organization. ... NORMAN E. HORN, for the past six years general sales manager of the Proper-McCallum Hosiery Company, Inc., Northampton, Massachusetts, has resigned, effective May 15, to become associated with the Wellington Sears Company, New York and Boston.

Mr. Horn, whose headquarters will be in New York, was at one time advertising manager of the Winchester Repeating Arms Company, New Haven. ... BEN N. POLLAK, formerly advertising manager of the American Piano Company, is now in a similar capacity with the Richfield Oil Corporation. ... FRED SANDBLOM, formerly business manager of *Building Investment*, and GERARD F. MARSHALL, New York State representative of *United States Daily*, have joined the new *Holiday* magazine—covering respectively, Pennsylvania and the South, and New York State and New England territories.

H. PAGETT, until recently with Hanff-Metzger, Inc., is now with the art department of Kenyon & Eckhardt, Inc., New York as specialist in typography.



From Postoffice Statements of Week Day
Circulation for 6 mos. ending March 31, 1930.

The Circulation Trend Among Detroit Newspapers

There are several ways of selling the Detroit market. You can use two newspapers and practically double the cost of your per unit sale without adding appreciably to your coverage or you can use The Detroit News alone and reach so many of the worthwhile homes in America's fourth city as to make the use of another newspaper extravagant advertising. The chart above shows the trend of circulation during the

last three years in the weekday field. Note the rise of Detroit News circulation exclusively. Its growth has been upwards of 19,000 since April, 1927—this, despite an increase of price per copy from two to three cents in the interim and an industrial depression in 1929. Because The Detroit News is the home newspaper of Detroit, in most cases delivered to the home, its circulation shows consistent progress and stability.

*Use The Detroit News Daily and Sunday
and Reach 4 out of 5 English
Speaking Homes*

The Detroit News

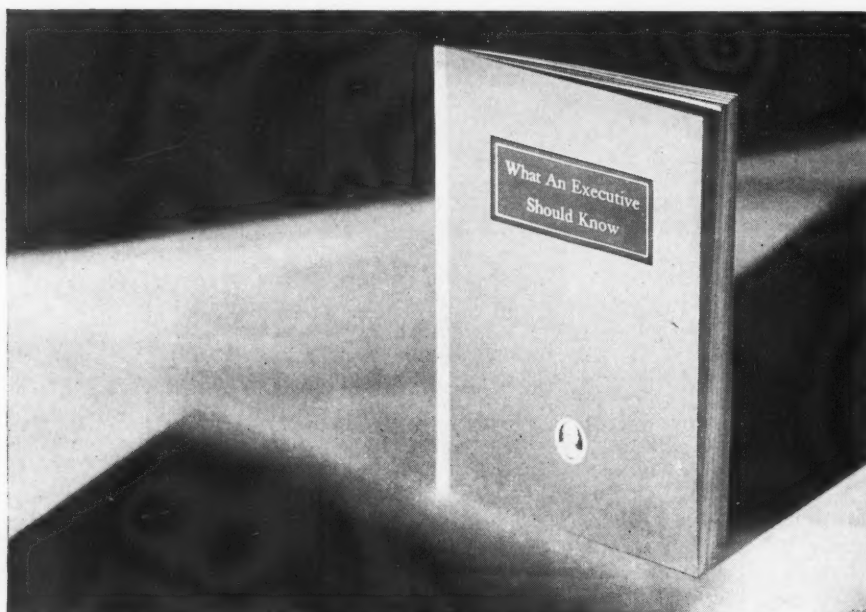
New York Office:
I. A. Klein, 50 E. 42nd St.

THE HOME NEWSPAPER

Chicago Office:
J. E. Lutz, 180 N. Michigan

Member 100,000 Group of American Cities

THE distribution of the booklet pictured below is restricted. It will not interest those who are merely curious. It is offered only to mature men who are seriously interested in their own business progress. If you are not such a man, *please do not write.*



JUST PUBLISHED

A new booklet . . . announcing a new Series of Business Courses

REVOLUTIONARY changes are taking place in the business world.

Security prices are subject to a whole new set of conditions.

Little business units are being merged into big units.

Industries are reaching out into foreign markets.

Production methods are being revolutionized.

The sales organization and strategy of the past are entirely unfitted to cope with the new competition.

To meet these new conditions, the Alexander Hamilton Institute has prepared an *entirely new series of business courses.*

Among the contributors to these courses are the biggest

and most progressive men in business today.

These courses are new from start to finish—so new that the latter part will not be off the presses for some months.

A booklet about this training is just off the press. This booklet is valuable; it contains facts of interest to all forward-looking business men.

The booklet is free. To help us prevent its falling into the hands of men for whom it has no message, we ask you merely to fill in the spaces in the coupon below. Doing so entails no obligation. As the edition of the booklet is limited, we suggest strongly that you send for your copy immediately.



ALEXANDER HAMILTON INSTITUTE

To the Alexander Hamilton Institute, 269 Astor Place, New York City.
(In Canada address Alexander Hamilton Institute, Ltd., C. P. R. Building, Toronto)
Send me without obligation the new booklet, "What an Executive Should Know."

Name.....Age.....
Business Address.....
Business Position.....What type of business are you in?.....

Du Pont "Dramatizes" Cellophane Tests

Brands of thirty cigar makers are being shown in an exhibit of E. I. du Pont de Nemours & Company, on the boardwalk at Atlantic City, to dramatize the retention of moisture content in cigars wrapped with its moisture-proof Cellophane.

A chart shows the loss of moisture in unwrapped cigars as compared with those wrapped in Cellophane over a period of twenty-two days in an atmosphere of 15 per cent relative humidity at seventy-two degrees.

At the end of two days, the du Pont company said, unwrapped cigars lost nearly half of their moisture; cigars wrapped in material other than Cellophane one-sixth, and those in moistureproof Cellophane one-twentieth. At the end of twenty-two days, the unwrapped cigars had lost practically all of their moisture, the second group 75 per cent of it and Cellophane-wrapped cigars only one-half.

Maxwell House Wins Decision on Slogan

The slogan, "Good to the Last Bite," cannot be used for the food products of the Hal Dick Manufacturing Company, Knoxville, Tennessee, as the result of a decision of the Court of Customs and Patent Appeals in reversing the action of the United States Patent Office in a case involving alleged plagiarism of the "Good to the Last Drop" slogan for Maxwell House coffee and tea.

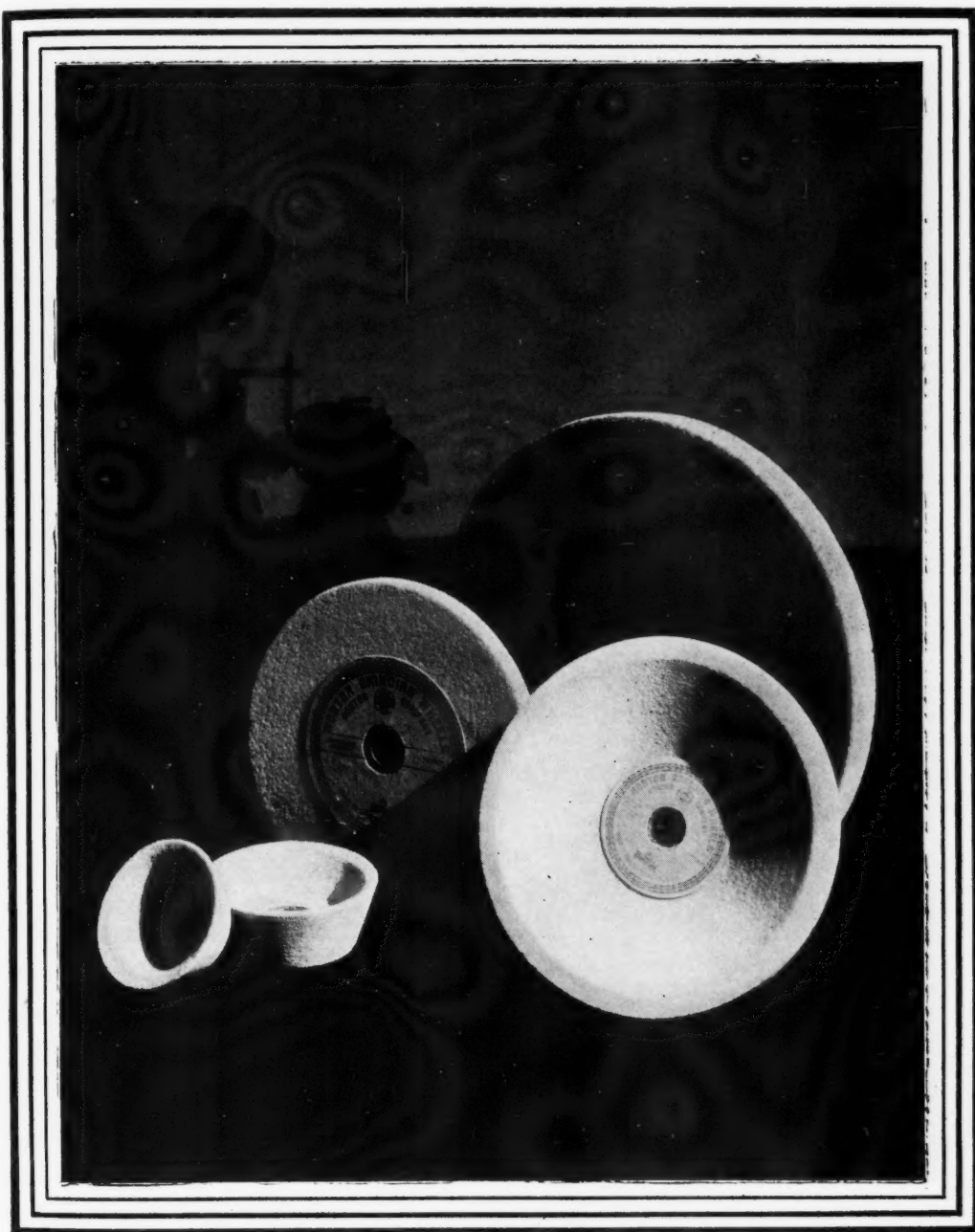
The Dick company adopted the slogan for its horseradish, jellies, marmalades and other products in 1926. The Maxwell House Products Company, Inc., a subsidiary of General Foods Corporation and successor to Cheek-Neal Coffee Company, was the complainant.

Dominion Earnings High

Dominion Stores, Ltd., largest grocery chain operating entirely in Canada, announced this week sales of \$24,641,183 and profits of \$590,550 for 1929—representing increases of 150 per cent and 250 per cent, respectively, in the last five years. In the first quarter of this year the company installed meat departments in seventy of its nearly 200 stores. Such departments will be added in other stores throughout 1930.

New RCA Dealer Paper

The *RCA Merchant*, a monthly foreign dealer publication, has just been issued by the foreign sales division of the RCA Victor Corporation, New York. Ovid Riso of the company's sales promotion department, and for five years assistant editor of *Radio Retailing*, is editor.



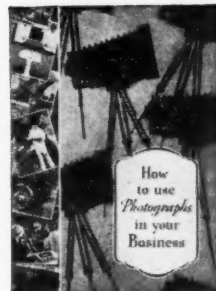
INTERNATIONAL

"This is an actual photograph."
Those five words under an illustration
inspire more confidence than five vol-
umes of adjectives. Use this phrase
in all your advertising—it pays!

PHOTOGRAPHS WIN RESPECT

Even the most prosaic of products acquires an added appeal when deftly photographed. Yet such a photograph loses none of its realism, its power to inspire confidence. A drawing may be doubted or discounted. A *photograph* wins respect. No matter what or where you sell, you can sell *more* with the cooperation of the camera. Call in a commercial photographer to help you capitalize on this universal faith in photographs.

Two booklets worth reading! "How to Use PHOTOGRAPHS IN YOUR BUSINESS"—and "THE 4000-MILE LENS" describing how to get distant photographs by wire through our unique service. For a free copy of both booklets, address Photographers' Association of America, 2258 Euclid Avenue, Cleveland, Ohio



PHOTOGRAPHS

tell the Truth

Editorials

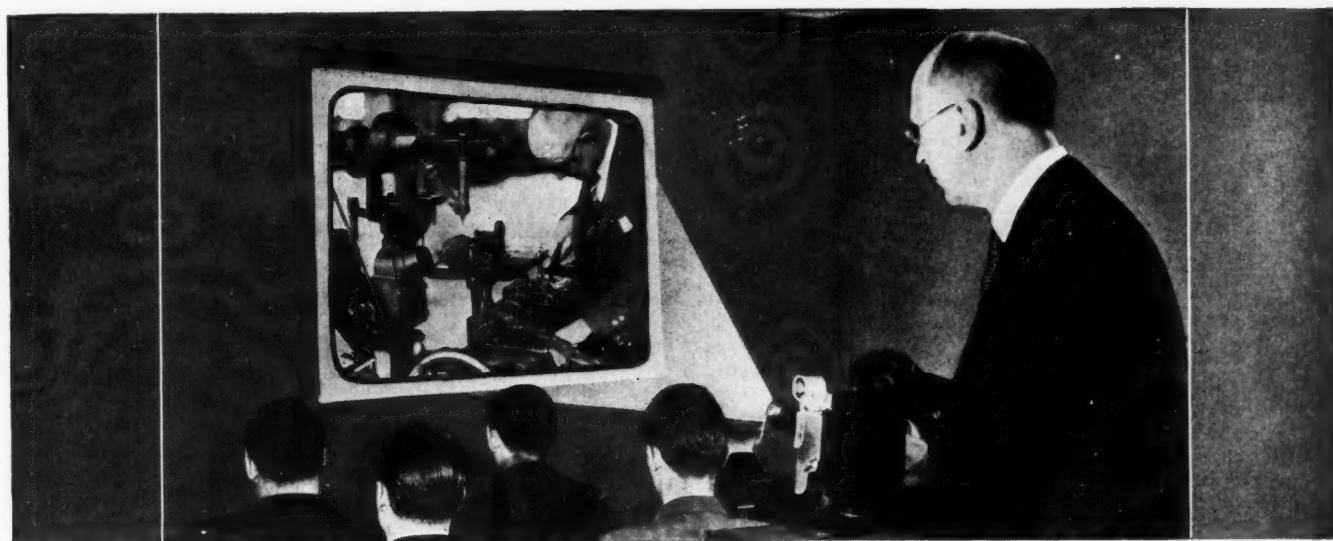
IMPATIENT SPECULATORS: If the stock market disturbances of last fall grew out of realization that business had undergone deterioration, it is a fair inference that recent occurrences in Wall Street of a similar character reflect disappointed expectations of quick improvement. Speculators are prone to impatience. They forget that business reconstruction after disruption is necessarily gradual. They have been looking to business to follow them in dashing forward again, and are shocked to see more evidence of the ground lost in the retreat than of ground regained after pressure had been removed. For that reason they have become incredulous of assurances about prerequisites to resumption of advance. . . . Business men as a body do not share this discouragement. They have studied the situation. They are confident that fundamentals are now sound. They are wasting no time over records of losses which belong to the past, but are energetic in efforts to remove the causes of these losses. Immediate gains are not on their program. Like the finance committee of United States Steel, they are satisfied with the outlook for satisfactory conditions in the second half of the year. There is a lot of hard work still to be done. We have gone far on the road to stabilization. We have still to deal in a practical way with unemployment and readjustments incident to new price levels. But in tackling these problems we are not hampered by fears of trouble still under the horizon. We face the future with confidence in our ability to handle what lies before us.

TESTIMONIAL SPECIALISTS: The National Better Business Bureau tells of a gentleman, a former member of the United States Navy, who seems to make a business of selling testimonials. He specializes in navy preferences, and his method is to submit manuscripts at a moderate price which describe the virtues of commodities discovered by the men at sea. In three instances at least the claims made were found to be faulty or without foundation. . . . Perhaps the most significant thing in connection with the exposure is that in each case investigation followed complaint by the manufacturer to whom the puffery was offered, indicating that paid testimonials are not only losing their market but are now regarded with suspicion. Not long ago the traffic in wares of this sort was heavy and the results were all too apparent in a good many advertising campaigns. That exposure has accomplished its purpose pretty thoroughly is demonstrated by this evidence that com-

plaints are now coming from the supposed beneficiaries of the humbug rather than from its dupes. If we can rid ourselves of the claque in advertising honest applause will come into its own again, a consummation devoutly to be wished.

OUR NEW CONSUMERS: Early reports of the 1930 census disclose marked shifts of population since 1920, losses in some communities running to as much as 5 per cent and gains more than doubling counts of a decade ago, as in Jackson, Mississippi, where the growth recorded is 110 per cent, or Amarillo, Texas, 177 per cent. For the whole country, the statisticians tell us, the gain is unlikely to exceed 14.8 per cent compared with 14.9 per cent from 1910 to 1920. The known factors justifying this estimate are the natural increase—excess of births over deaths—and immigration. The former has dropped from 11.8 per cent in 1920 to 8 per cent in 1930, due to a fall in the birth rate from 24.9 per cent to 20 per cent, while the death rate was diminished by only 1.1 per cent. Legal immigration is substantially at the same rate as it was in 1920, but bootleg aliens may have swollen the total materially. The present census, having been taken as of the first week in April, will include an extra three months, for which allowance has been made in reckoning the expected comparable total of between 121,200,000 and 121,450,000. . . . The diminishing pace of population growth suggests speculations of decided interest to business, which in this country especially is keyed to constant expansion. According to Dr. Louis I. Dublin, statistician of the Metropolitan Life Insurance Company, the time is approaching when producers must think in terms of consumption subject to definite limitations as far as number is concerned. But this is only a trend. Another generation may learn how to reduce mortality more effectually, it may return to large families, it may open the nation's doors more widely before in 1970 the nation reaches the 150,000,000 population which Dr. Dublin thinks will be close to our maximum, provided none of these things is done. Business men now living can count on close to a million new mouths to feed every year, a million new bodies to clothe, a million new persons to shelter and provide with the conveniences which have become necessities of American life. Malthus frightened the world with predictions of more people than could be taken care of. He did not foresee production resources of which his age did not dream.

Use the VISUAL way to sales



The S. V. E. Picturol Projector in Use

THOUSANDS of salesmen are successfully using projected still pictures to illustrate the advantages of their product or service. Such projection can best be accomplished through the medium of the S.V.E. Picturol Projector, first standard film stereopticon offered education and industry.

The Society for Visual Education is the designer and manufacturer of the manually operated S.V.E. Picturol Projector for sales promotion and lecturing purposes (sold industrially under the label of S.V.E. Jam

Handy Explainer), and the unique S.V.E. Jam Handy Pocket Explainer, distributed by the Jam Handy Picture Service (Newspapers' Film Corporation), as well as the S.V.E. Automatic Picturol Projector for advertising purposes.

SOCIETY FOR VISUAL EDUCATION, Inc.
Dept. 250, 327 S. LaSalle St.
Chicago, Illinois.

Please send details about the machines checked.
The manually operated S.V.E. Picturol Projector
The S.V.E. Automatic Picturol Projector
The S.V.E. Jam Handy Pocket Explainer

Name _____ Position _____
Address _____
City _____ State _____

S V E SOCIETY FOR VISUAL EDUCATION, INC. **S V E**
Manufacturers, Producers and Distributors of Visual Aids
327 SOUTH LASALLE STREET, CHICAGO, ILLINOIS.

Sturdy as the Oak— with the impregnable strength of Gibraltar

WE will not say that The Times-Star has had a phenomenal growth in the Cincinnati market since its founding in 1836. Rather, we will say that its growth has been constant, continuous and above all staple.

Founded by people who have made Cincinnati famous politically; ever maintaining the policy of promoting the best interest, socially, politically and economically, of the Cincinnati area, and with its circulation or coverage rooted securely among the substantial, progressive element, The Times-Star represents the very pulse of Cincinnati progress.

This sturdy position places your sale story in a most favorable light. Before your platform in The Times-Star stands an audience attracted by 93 years of confidence-building service. Lineage supremacy for 22 years is both the cause and the result of sustained advertising successes in The Times-Star market.

The Times-Star carried 3,433,316 lines of national advertising in 1929, a gain of 336,232 lines over 1928 and a lead of 1,373,832 lines over Cincinnati's second paper in National Lineage.

The Cincinnati Times-Star

Eastern Representative
MARTIN L. MARSH
60 East 42d St.
New York City, N. Y.

Western Representative
KELLOGG M. PATTERSON
904 Union Trust Bldg.
Chicago, Illinois

How We Bucked the Problem of Public Disfavor

(Continued from page 258)

the rental is usually somewhat lower.

We assist in securing a tenant or tenants for the ground floor and provide the operator for the club, then we select someone to erect the building.

All of this is strictly promotional work, made possible by our experience, reputation and possession of known facts. We interest a desirable person on the idea of establishing a recreation club in some special location; we interest one or more reputable merchants in the idea of opening a store on the ground floor of the proposed building, and we interest someone else in the idea of erecting such a building for the purpose of leasing it to the tenants we have secured. We sell the equipment on either cash or on a time-payment plan, so we frequently have an equal equity in the venture with the purchaser of our equipment.

Many Clubs in Cities

We also undertake to have such clubs installed in new office buildings. In one well-known building of this kind the owners were very much opposed to the plan at first, but later, when we had convinced them of its desirability, they spent \$35,000 of their own money in making necessary alterations to accommodate a large recreation club.

We have prosecuted such work aggressively for several years and as a result there are now about forty recreation clubs in New York City, an equal number in Detroit, forty-five in Chicago, thirty in St. Louis, twenty in Philadelphia, and so on throughout the country. Each of these clubs is equipped with sixteen to 100 bowling alleys and six to seventy billiard tables, representing an investment of \$20,000 to more than half a million dollars. This work is still progressing and is a part of our regular promotional activities.

In the meantime, however, we have launched a successful campaign to develop commercial trade for future recreation clubs.

Late in 1927 we introduced our "Junior Playmate" line of home billiard tables, offering a choice by the sizes. The line was handled by the 125 territorial salesmen employed by our twenty-seven branches.

Our sales in 1927 were nominal but encouraging. Our men had difficulty

in adapting themselves to this new kind of selling. They had been accustomed to selling equipment to commercial customers only, whereas this line was sold to retail stores for resale.

Nevertheless, sales increased rapidly and in 1928 we enjoyed an increase of some 300 per cent in sales. At the beginning of 1929 we appointed a specialty man as sales manager of the Junior Playmate division and three supplementary salesmen to work on the Junior Playmate line in conjunction with the regular branch salesmen. Meanwhile we added another size table in 1928 and in 1929 we added two others.

Sales of the Junior Playmate line last year increased again 300 per cent and we hope again to show an appreciable gain in 1930 over 1929.

This means that actual billiard tables and equipment were installed into thousands of homes last year. If we are successful in our campaign of education, and indications point conclusively that we shall be, we expect in a few years to educate in the neighborhood of a million boys and girls in the billiard game.

It is interesting to know that fully 95 per cent of these tables were purchased for the children by the mothers.

Line for Children

The present Junior Playmate line is intended to accommodate children between the ages of eight and sixteen, or from the grades through high school. After that they may secure a regulation table for the home or they may play at reputable recreation clubs which we are endeavoring to provide.

There are numerous interesting sidelights, too. We receive many letters from fathers to the effect that they had not played the game for years until they bought a table for their boys—their interest has been revived—which creates a desire to install a commercial-size table in their homes, and they wonder whether we can sell them a regulation-size table at a moderate price.

There is also considerable repeat business. Those who bought a small Junior Playmate table a year or so ago buy a larger one, and the tendency is decidedly toward larger-size home tables. At present our factory stock of these is entirely exhausted and we are obliged to supply

most branches from the few branches that have any of them left.

Several prominent stores have promoted children's billiard tournaments successfully. One well-known department store held the tournament in the store and supplied dress suits for the contestants; another did likewise and when the tournament resulted in a tie the play-off was held at the Chamber of Commerce.

Newspapers commonly offer their carriers prizes for new customers and we have been very successful in getting them to vary the wagons, skates, etc., ordinarily given as prizes, by offering junior billiard tables. As an indication of how boys work for such a prize, one paper which requires six new subscriptions of six months' duration to win a table has distributed to date over 800 of them to their carrier boys and other boys and girls who obtained the desired number of subscriptions. Another newspaper in a little Western town requires three new one-year subscriptions and has given the boys a total of seventy-one tables. Altogether, more than 165 newspapers throughout the United States and Canada have distributed Brunswick Junior Playmate billiard tables as prizes.

This plan is helping to teach thousands of boys and girls the game of billiards and is a very productive circulation builder.

Advertise Nationally

We advertise the Junior Playmate line in many national publications of wide circulation, in boys' magazines, as well as a long list of fraternal magazines, and in the comic section of a Sunday magazine section that is syndicated to newspapers in seventeen principal cities.

We usually publish a coupon in all our advertising and when these are mailed to our general office we forward a catalogue in which the entire line of home tables is presented. The catalogue is handsomely illustrated with action pictures, in full color, and carries recommendations of the game from many men and women whose names are household words everywhere. All mail orders and branch house direct sales are credited to the established Brunswick dealer in whose city the purchaser resides.

We furnish dealers with the usual advertising assistance and during the holiday season we send a representative to cooperate with dealers in promoting sales by arranging action window displays, arranging the department and giving expert advice.

While the average commercial style bowling alley cannot be accommodated



COTY

Uses

Holland's

Main Office & Publishing House
DALLAS, TEXAS

The Magazine of the

SOUTH

New York, 52 Vanderbilt Ave.
Chicago, 122 S. Michigan Blvd.

Because:

they, like Daggett & Ramsdell ... Mavis ... Pepsodent ... Dr. West ... Houbigant ... Kotex ... Roger & Gallet ... Djer-Kiss ... Lehn & Fink ... Frostilla ...

Johnson & Johnson, have discovered that the South is one of the greatest markets for cosmetics and other drug-store merchandise.

They have also discovered that HOLLAND's, being a Southern magazine devoted to the interests of the South, holds first place in Southern homes. National magazines do not adequately cover the South!

That seasoned advertisers realize this is proven by their consistent yearly programs in HOLLAND's.

**YOU CAN'T COVER THE NATION
WITHOUT COVERING THE SOUTH
.... AND YOU CAN'T COVER THE
SOUTH WITHOUT HOLLAND'S**

During the First Quarter of 1930

THE OMAHA WORLD-HERALD

Printed

Over Twice as Much Paid Advertising

as the other Omaha newspaper

During the first quarter of 1930 The Omaha World-Herald in its morning, evening and Sunday issues printed over twice the amount of paid advertising published in the morning, evening and Sunday issues of the Bee-News. Thus The

World-Herald printed over two-thirds of all the paid advertising appearing in the two Omaha newspapers. The paid lineage for the quarter in the two Omaha newspapers as measured in lines by the Haynes Advertising Company:

WORLD-HERALD

	Local	National	Automotive	Total Display	Total Classified	Total Paid Advertising
Morning	1,226,225	543,270	112,392	1,881,887	302,869	2,184,756
Evening	1,228,983	549,234	116,634	1,894,851	303,744	2,198,595
Sunday	390,492	77,882	140,959	609,333	172,480	781,813
Total	2,845,700	1,170,386	369,985	4,386,071	779,093	5,165,164

BEE-NEWS

	Local	National	Automotive	Total Display	Total Classified	Total Paid Advertising
Morning	269,090	274,421	61,376	604,877	194,943	799,820
Evening	835,919	278,383	62,818	1,177,120	195,048	1,372,168
Sunday	193,504	30,121	98,539	322,164	83,629	405,793
Total	1,298,513	*582,925	222,733	2,104,161	473,620	2,577,781

*The above figures do not include 236,040 lines of national advertising in the American Weekly, distributed with Hearst newspapers.

**WORLD-HERALD TOTAL PAID
CIRCULATION FOR MARCH**
DAILY... 128,116 SUNDAY... 124,620

SALES QUOTAS

By PERCIVAL WHITE

This volume has been written to assist the sales manager in meeting the growing competition in business through the use of sales quotas. It is the first complete statement of the underlying theory of various kinds of quotas, the use of market analysis, the application of scientific methods to quota setting and the quota in operation and practice.

The subject matter is grouped under five natural divisions:

- I. Introduction.
- II. The Market As a Quota Determinant.
- III. The Company As a Quota Determinant.
- IV. The Quota In Operation.
- V. An Example of Quota Practice.

Consists of 254 pages, including 56 charts, diagrams, etc.

Price, postpaid, \$4.00

Remittance Should Accompany Order

SALES MANAGEMENT

Book Service

420 Lexington Avenue

New York, N. Y.

in the average home, we were quick to sense this condition and to meet the ever-increasing demand we brought upon the market during the past year an automatic type bowling game known as the Au-To-Bowl. This article can be placed in almost every home, it being thirty-two feet long and thirty-six inches wide.

The retail selling price of the Brunswick Au-To-Bowl is easily within the reach of the most modest income. Many of them have been installed in private homes throughout the country. Clubs and churches have installed them where the length of the commercial style alley could not be accommodated.

Negro Grocers Join to Develop Food Market

(Continued from page 251)

throughout the country. In other fields the proportion is hardly better. In men's furnishings, according to the 1928 Census of Distribution estimates, we require 5,006 stores; women's clothing, 2,954; furniture, 5,003; dry goods, 5,802; millinery, 1,956; and drugs, 7,767.

"These seven types of stores could on this basis be made to do an annual volume of \$1,111,843,057. They would employ 162,718 Negro people, and would pay them in salaries annually \$149,398,302.

"When these stores have been established and are operating as efficiently as the white, when the Negro population has been made to realize that their economic salvation depends on the loyalty of Negro customers to Negro merchants, we shall have realized our objective."

The advisory committee of the Survey of Negro Business was made up of: Dr. William M. Steuart, director of the Census Bureau, Washington; Dr. Robert R. Moton, principal, Tuskegee Institute; Dr. Paul T. Cherington, statistical director, J. Walter Thompson Company; Dr. W. W. Alexander, executive secretary, Commission on Interracial Cooperation; Dr. Frank M. Surface, director of the Domestic Commerce Division; C. C. Spaulding, president, North Carolina Mutual Life Insurance Company; A. L. Lewis, president, Afro-American Life Insurance Company; Dr. Monroe N. Work, editor, The Year Book, and director, department of records and research, Tuskegee Institute; Albon L. Holsey.

Schwab & Beatty, Inc., New York advertising agency, has moved to 386 Fourth Avenue.

(Continued from page 260)

The "Sales Maker"

[This is the second of a group of articles which present the full details of one intensive sales campaign in one specific metropolitan area. Big companies will find these articles full of suggestions for increasing the efficiency of their own local campaigns; small companies with limited budgets will find some of the ideas applicable to their problems. The next article will tell the story of an oil burner company that chalked up a 74 per cent increase during the dulllest month of the year.—*The Editors.*]



We'll Be Your "Branch House"
In Any or All of 126 Major Cities

Send us your merchandise... put your sales force to work in our cities... and we'll do everything your own branch house could do in the physical distribution of your goods!

The A. W. A. Plan is a long-established, highly successful method of distribution . . . used for years by nationally known makers of foods, drugs, hardware, textiles and other commodities. This plan is now attracting the attention of manufacturers and distributors everywhere because of its proved soundness and very real economy.

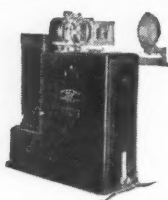
This year of intense competition, 1930, has made the problems of distribution the chief concern of American business. Alert manufacturers are weighing the advantages and the costs of their established distribution machinery . . . seeking new sales outlets . . . improving their wholesale and jobbing connections . . . experimenting with direct selling.

At such a time, the A.W. A. plan of distribution offers new possibilities to every progressive manufacturer or distributor of goods—whether he sells direct or through jobbers. We receive merchandise in carload or less-than-carload lots . . . store it as long as you wish . . . distribute it when and where you instruct us. Thus you can achieve strategic "spot stock" distribution throughout the United States, Canada, Cuba, Hawaii . . . and be able to deliver your goods quicker at less cost.

Full details of our plan are described in a 32-page booklet recently published. Its title is: *"Increasing Your Sales Through the use of A. W. A. Public Merchandise Warehouses."* We'd be glad to send you a copy, free, and without obligation. Just address the



Public Merchandise Warehouse Division
AMERICAN WAREHOUSEMEN'S ASS'N.
 1737 Adams-Franklin Building, Chicago, Illinois



LET THE ACME PORTABLE PROJECTOR

Help Sell Your Organization

MANUFACTURERS all over the country are using Motion Pictures to acquaint prospects, and old customers too, with their organization, product and policies.

They have supplied their salesmen with Acme Portable Projectors because the very nature of the work to be done necessitates a clear, flawless, uninterrupted showing of their story.

The Acme Projector is light in weight and by comparison, stronger and safer than any other portable projector. Two more reasons for the popularity of this Projector by business men.

The exclusive Gold Glass Shutter, built in to show "still" pictures on the screen, permits the halting of the film to drive home a point without the danger of fire. The Acme Portable Projector can be plugged into any socket and readily set up for operation.

Let us demonstrate to you the great possibilities of the Acme Portable Projector.

Send for booklet number 9P5.

ACME DIVISION
INTERNATIONAL PROJECTOR CORP.
90 Gold Street New York City

Selecting the Specialty Salesman Who'll Do the Job

(Continued from page 256)

plicant which are considered necessary for the job.

Interviews should be organized carefully to bring out the facts and impressions which must be gained by the interviewer before he can make his decision.

A judgment blank should be developed to aid the interviewer in his work.

Arrangements should be made to check the interview with one or more executives competent to interview the applicant.

What is the job? More and more executives are appreciating the necessity for a careful job analysis in sales work. If careful studies have been made to clearly indicate the limits and requirements of the salesman's job, the problem of selection is so much easier because with this information before him the interviewer is better able to judge whether the applicant is suitable to the job.

Type of Man Needed

What type of man is needed for that job? If a job analysis has been made, and studied by the interviewer, he is then in a position definitely to fix in his own mind the type of man needed. This may seem somewhat elementary, but organizations which have made a careful job study and have used the information in their selection have greatly improved the results of their selection activities.

Developing the application blank. Just what the application blank will contain will, of course, vary for every company, but a blank can be developed which, when filled out by the applicant, will bring out many points which the interviewer must have before him in his selection work.

Organizing the interview. Again it seems elementary to stress the necessity for organizing interviews with salesmen so that the necessary facts and impressions as to the applicant will be fully brought out, but when interview work is handled in a haphazard manner, with no plan, results are not nearly as satisfactory as when the interviewer makes it his business to decide beforehand what he wishes to know from the applicant and how he will control the interview to bring out the necessary facts.

The judgment blank. The purpose of a judgment blank in interviewing salesmen is to give the interviewer a

method by which he can indicate his opinion as to the qualifications of the salesman on certain key points which are felt to be necessary in the particular organization. The judgment blank is especially valuable since it enables a second or even a third executive to check the same man on the same qualities, and thereby secure a valuable interchange of opinion as to the possibilities of the particular applicant for the job.

One of the questions found on most judgment blanks is: "How would you describe the applicant's voice?" On the blank used by the American Radiator Company for judging salesmen following this question as to voice appear these five stages of voice: disagreeable, weak, unnoted, agreeable, pleasing. The interviewer, by checking one of the five voice descriptions listed, can indicate his opinion as to the particular points involved, and as others interview this same salesman they can check these opinions. In actual practice it is surprising how close executives come in using a judgment blank on the same applicant.

Checking the interview. As previously indicated, it is excellent practice to have more than one executive interview the new salesman before he is hired. The man who has the responsibility for actually hiring the salesmen is usually glad to get the benefit of another opinion on the applicants that interest him as possibilities.

(This article will be concluded in next week's issue.)

Dayton Appoints Wetzel Advertising Manager

R. L. Wetzel has been appointed to succeed Edwin B. Self, as sales promotion and advertising manager of the Dayton Rubber Manufacturing Company. Mr. Wetzel has been with the company for five years, as assistant to Mr. Self and more recently as assistant to D. W. Warden, vice-president in charge of merchandising. Mr. Self has established Edwin B. Self, Inc., at Chicago, a sales promotion service.

People's Popular Monthly, of Des Moines, has moved its New York office to 370 Lexington Avenue.

Why Business Needs a Distribution Director

(Continued from page 249)

to invest money and expect a return of between 5 per cent and 6 per cent with quite a degree of safety and no effort on the part of the investor. If, then, we are to engage in business, tie up our capital in fixed assets which are practically valueless unless a concern is in operation, risk further capital in meeting costs and expenses which cannot be returned except as the resultant product is sold; if we are to strive during our days and worry during our nights, as many executives do, it is perfectly obvious that a greater return on the capital employed in a business venture is due the investor-manager than the mere investor.

An Adequate Profit

It is maintained that the minimum return on the capital employed which can be considered an adequate profit is 12 per cent annually, and this is only adequate where the product is a staple, with a relatively staple consumption market. When one develops, manufactures and distributes a specialty whose market may easily be swept away overnight by an improved product, the minimum proper return on capital employed is often considered as high as 24 per cent. In any case a definite determination should be made by a concern as to what a legitimate profit return is in terms of the effort and risk involved in its activities.

In connection with the terminology of capital and the necessity for a return on such investment, leading economists concur in the theory that the earnings of a business should be computed on a basis of the total capital employed in the conduct of a business, whether owned or borrowed, and not merely on net worth, as was formerly considered sound practice. This is the operating point of view, as distinguished from the investors' point of view, the real measure of financial return of a business being the percentage of net profits earned on the total capital employed.

The first step, therefore, in setting up a plan of affairs for a company, is a definition of the required ratio of profit to capital employed. With a new business, of course, the amount of capital employed can be determined by study of the market and a calculation of the necessary capital to operate a distribution which will be absorbed by the normal market which can be adequately serviced and maintain this percentage of profit. Most businesses, however, have a capital structure which is relatively fixed, and our

MEMBER 100,000 GROUP OF AMERICAN CITIES

1ST IN PEORIA

3RD . . IN THE STATE

28TH IN THE NATION

IN 1929 ADVERTISING LINAGE

THE PEORIA JOURNAL-TRANSCRIPT

PEORIA, ILL.

Chas. H. Eddy Co., Nat'l Repr. :: Chicago, New York, Boston

Read in 4 Out of 5 Homes

IN NEXT WEEK'S ISSUE

A picture that tells a better story than a thousand words of copy



WITH no desire to start an argument as to which is more important in advertising, copy or art, we suggest that you watch for our insert in next week's issue.

It shows in full size the cover of a booklet recently executed by us for the manufacturers of Hires Iceless Cooler. You'll agree that it is a sales stimulating piece of advertising.

The U. S. representative has ideas that can be used just as effectively in your business. Let him show you samples of some of our recent work.

THE UNITED STATES PRINTING AND LITHOGRAPH CO.

Cincinnati Baltimore Brooklyn

Service offices in 16 cities



The Ambassador is the pied-à-terre of many of the most important personalities in advertising, banking and industrial circles.

Hotel
Ambassador

PARK AVENUE at 51st STREET

NEW YORK

ATLANTIC CITY • LOS ANGELES • PALM BEACH

BURKHARDT



VISUAL-SELLING EQUIPMENT

Display binders for every need—from pocket size to three feet high. Standard sizes carried in stock for immediate shipment; special sizes to order. Insist on the original Burkhardt design.

Booklet Free

"Selling through the Eye"—a brief outline of the principles of visual selling; also illustrates and describes Burkhardt single and double-vision display binders. Copy free to Sales and Advertising Executives.



The Burkhardt Company

545 W. Larned Street Detroit, Michigan

Bruce Barton

says:

"I have known Dick Hay for many years. He has not only a thorough knowledge of his subject but the ability to impart that knowledge in a stimulating and effective fashion. His courage is an inspiration."

For MANUFACTURERS and ADVERTISING AGENCIES my wide Sales Management and Retail experience can be worth many times its cost.

From June to September I will be available in New York as a Consultant on Sales, Merchandising, and Marketing problems, for a few clients only.

Please address inquiries to

RICHARD C. HAY
Soldiers Field Boston, Mass.

hypothesis must start with a determination to so adjust all of the functions that the predetermined ratio of adequate profit can be returned on the capital already employed.

The product itself must be studied as to its consumer appeal, style, packaging, its competitive position and its probable life. Research comes in at this point, to ensure to the company that the product, through necessary change, is kept well abreast of consumer demand and that its life may be continuous. The market must be analyzed as to volume, area, seasonal effects and carefully measured selectively, to determine that it is possible to distribute at a reasonable selling and advertising expense in the territories selected, and a knowledge obtained as to the type and size of accounts which can be adequately handled.

Manufacturing Program

The manufacturing program consists of manufacturing the required volume at a satisfactory cost and expense ratio, with consideration of seasonal effects upon capacity, sizes of production orders to be handled, as well as the usual problems of process and mechanical development.

The sales and advertising program must be based fundamentally upon the knowledge of the market, both as to volume and selectivity, and also adapted to producing orders and service requirements which can be satisfactorily met by the factory. It is perfectly obvious then that no problem of manufacturing can be isolated without consideration of its reflex on sales, nor no sales policy be outlined properly without a knowledge of its reflex upon manufacturing, nor the problems of the two set up without consideration as to the general financial control of the business and the production of the adequate profit required on the capital employed. In other words, every problem really becomes one—that of the development of the individual phase under consideration in terms of all other phases and fundamentally in terms of profit return.

It is obvious, then, that the old type of functional organization, with one individual practically a czar in charge of manufacture, another in charge of sales, another in charge of finances, etc., is entirely inadequate to meet the critical economic conditions which face us today, and no individual is more important in the development of the proper organization to meet this situation than the *director of distribution*.

While considerable time has been spent in discussing economic con-

ditions up to this point, it is essential that whenever we consider organization requirements we first give proper consideration to the conditions which we must meet.

On the chart (on page 248) has been outlined the type of organization which seems essential to proper profit return to an industry today. We must bear in mind that every individual problem arising in the conduct of a business must be considered not in terms of itself alone, but in terms of the one problem of business—adequate profits! When we consider the great difficulty of any one individual being thoroughly conversant with all the problems of sales, advertising, manufacture and general control today, with their tremendous detail of science and of art of application, it is obvious that we must have in an organization some division of responsibility for each major phase, but that every individual, while he must concentrate upon his own function particularly, must have a sound general understanding of each other function and consideration as to their effect upon the profit problem as a whole.

Three Major Executives

In the chart, therefore, are three major executives responsible to the general manager, namely: the director of distribution, director of manufacturing and comptroller. The dotted line of cooperation between the three should be noted carefully. This means that while each has certain direct authority, he exercises this in cooperation with his fellow executives. It is becoming almost universally recognized today that one individual must be responsible for both selling and advertising. They cannot operate effectually unless they are properly coordinated. Therefore, the executive function of the director of distribution is in direct charge of selling and advertising. In a large company there would, of necessity, be a sales manager and an advertising manager working as subordinates under him, closely coordinated.

The staff functions of the director of distribution should be the control of: product research, market research, sales planning, sales budgeting, advertising planning and advertising budgeting.

The functions of the director of manufacturing and the comptroller are quite obvious. From the coordinated staff activities of each of these three officials should originate the complete plan of affairs of the company or the complete budget of the business.

There was sensed in previous dis-

cussion of this subject a feeling that perhaps the distribution director should be the coordinator of the entire business. Frankly, this seems a somewhat arbitrary view, except that it can be said quite definitely that while it is believed the president and general manager of a business should be the general coordinator, in the next decade or two the president of most concerns will probably be promoted from the position of director of distribution. However, the problem of distribution is so great that it requires the concentration of an individual in an executive capacity on this function alone, but naturally coordinating and co-operating with the other two functions through his staff activities. The president or general manager of a business must in most cases be an individual who is more thoroughly trained in distribution than in any other phase, because there is every indication, during the present and probable future economic situation for the next decade or two, that the distribution phase is of necessity the most pertinent factor in the control of adequate profits.

Broad Training Necessary

The director of distribution must be an individual who not only is thoroughly versed in the science and art of selling and advertising, but must have a sound basis of general economics, in order to help him in controlling the important phase of determining the market for a product; he must have a sufficient comprehension of manufacturing problems, in order to coordinate properly with the director of manufacturing; and of general accounting, business control and financing, in order to properly coordinate with the comptroller. Likewise, of course, the director of manufacturing and the comptroller must have a sufficient general knowledge of sales and advertising, in order to properly coordinate with the director of distribution.

It should not be understood that it is suggested in the slightest degree that the making of an adequate profit can be accomplished by the development of a cold, rational, mathematical program. While the facts must be considered and an ideal program laid out which is the goal toward which all departments of the business will strive, it is obvious that the best prearranged plans are affected in their attainment by two conditions:

1. The degree to which the internal organization understands and has confidence in the plans developed.
2. The plan must be sufficiently flexible to be quickly reorganized to

meet unforeseen external conditions.

In relation to the first case, the most ideal plan is useless unless it is backed by the hearty cooperation of every member of the organization. This cannot be accomplished by the laying down of definite instructions alone, but the entire principle in back of the plan and every detail of its application must be thoroughly sold to the personnel. This is a fundamental principle of good management.

The external conditions are constantly changing. No prearranged plan can be put into effect if external conditions change from those in terms of which the plan was prepared. Competitive measures change and vary overnight in all or part of the territory in which the product is distributed. Tactics must be constantly revised to meet change in opposing tactics.

Must Be Liaison Officer

The director of merchandising, because of his contact with the front line of business which is selling, is responsible for the liaison to carry back to every unit of the business the necessary information for modification of part or all of the business plan. The various research facilities outlined on the chart provide the necessary information from which can be drawn the data for new plans. Suppose, for instance, sales reports that a product is not receiving normal consumer acceptance because of improved competitor products. Product research should have modifications or new products ready for inauguration, and technical research, product development and plant and process development should have their plans ready for getting the new or modified products into production promptly.

One common cause of failure in many businesses which have tried to plan carefully their development is because their plans have not been made with the thought in mind that they might have to be modified promptly and definitely.

Unfortunately, we often hear misguided individuals use such phrases as "sordid commercialism"; "dollar-grubbing Americans," etc. On the part of many such individuals there is a feeling that there is something common and lowly in all commercial profit-making enterprises. This is an atavistic thought coming down to us from the days when labor and most things commercial were performed by slaves which penetrated as late as the fifteenth century in Europe, when in England the noun "villain," which today refers to a felon, was at that time the proper noun for a worker.

The industrial development of the

the vital 88%

A GREAT baseball audience may number as many as 80,000 — people gathered from everywhere to witness a combat of national interest. They are always a mixed lot. . . . FORUM'S readers are gathered to attend controversies of often more than national interest; but more than 80,000 of them are far from being a mixed lot! They are important in business, financial, and social affairs. They are a vital eighty-eight per cent with vital buying power! • Eighty-eight per cent of FORUM'S *Picked Hundred Thousand* are over twenty-five years of age. Eighty-eight per cent have buying interests that are reflected in those better things of life with which they surround themselves. Eighty-eight per cent are at buying maturity — and are a productive market for the merchandise that vies for their acceptance through the medium of FORUM pages.

FORUM

Edited by HENRY GODDARD LEACH
441 Lexington Ave., New York City



world, which has reached its greatest fruition in this country, has shown clearly that the proper handling of commercial enterprises with resultant high wages and adequate profits has brought to the average individual a degree of physical comfort and ethical uplift never before experienced in the history of mankind. Health and hygiene go hand in hand with good living conditions, which must be supported by high wages and profits. Our schools and colleges, our hospitals, museums, churches, etc., can only be supported by contributions from commercial profit. We, therefore, have the ideal of not only the material return to be gained from adequate profitability, but a real ethical return in that only when we conduct our businesses upon a basis to return an adequate profit can we make our proportionate contribution to the support of all of the worth-while things of life.

The requirement for profit-making, then, is not material alone, but highly ethical, and there seems to be no step which business can take to contribute more directly to adequate profits than to understand the necessary economics back of the distribution problem, and the setting up of the proper organization of this most important factor of business in the hands of a director of distribution, properly coordinated with the other officials.

(The news report of the Association of National Advertisers convention appears elsewhere in this issue.)

Sales Management Weekly Index to Motor Activity

(Average of years 1924-28, inclusive, equals 100)

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Feb. 8 128	Feb. 9 149
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Feb. 22 ... 128	Feb. 23 ... 153
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Mar. 8 120	Mar. 9 147
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The exact sources of data on which the SALES MANAGEMENT Weekly Index of Motor Activity is based cannot be completely explained or disclosed for the reason that much of the information used is obtained in confidence. The computation itself is entrusted to one of the leading economists and statisticians of the automotive industry.

Personal Service and Supplies

Classified Rates: 50c a line of seven words; minimum \$3.00. No display.
Cash Basis Only. Remittance Must Accompany Order.

SALES PROMOTION

\$50 to \$50,000 DAILY SALES SECURED FOR our clients. This distributor took on a new specialty, retailing at \$60. His first purchase \$12. We submitted a sales program capable of national expansion. Within four years his sales were nationwide, running to \$100,000 monthly. 35 years' salesmanship-in-print experience back of our campaigns. Submit sales problems for free diagnosis. 10 years Sales Promotion Manager, Larkin Co. James C. Johnson, 119 Woodbridge Ave., Buffalo, N. Y.

EXECUTIVES WANTED

IF YOU ARE OPEN TO OVERTURES FOR new connection and qualified for a salary between \$2,500 and \$25,000, your response to this announce-


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EXECUTIVES — CAPABLE OF EARNING from \$5,000 to \$50,000 per year can make profitable contacts in all parts of the United States through our service. Confidential and reliable. Write for particulars, Associated Executive Service, Inc., 1204 Colonial Bldg., Philadelphia, Pa.

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